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## SENATE BILL No. 239

Proposed Changes to January 27, 2026 printing by AM023916

### DIGEST OF PROPOSED AMENDMENT

Capital improvement payment. Removes a provision in the bill that requires certain capital improvements payments by a school corporation that receives a school building back from a charter school.

A BILL FOR AN ACT to amend the Indiana Code concerning education.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 4-21.5-2-4, AS AMENDED BY P.L.132-2019,
- 2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 3 JULY 1, 2026]: Sec. 4. (a) This article does not apply to any of the
- 4 following agencies:
- 5 (1) The governor.
- 6 (2) The state board of accounts.
- 7 (3) The state educational institutions.
- 8 (4) The department of workforce development.
- 9 (5) The unemployment insurance review board of the department
- 10 of workforce development.
- 11 (6) The worker's compensation board of Indiana.
- 12 (7) The military officers or boards.
- 13 (8) The Indiana utility regulatory commission.
- 14 (9) The department of state revenue (excluding an agency action
- 15 related to the licensure of private employment agencies).
- 16 (10) The department of local government finance.
- 17 (11) The Indiana board of tax review.
- 18 (12) The Indiana department of veterans' affairs.
- 19 (13) The Indiana veterans' affairs commission.
- 20 **(14) The state board of education when issuing a final**
- 21 **determination described in IC 20-26-7.1-4.**
- 22 (b) This article does not apply to action related to railroad rate and

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1 tariff regulation by the Indiana department of transportation.

2 SECTION 2. IC 6-1.1-17-3.1, AS AMENDED BY P.L.136-2024,  
3 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
4 JULY 1, 2026]: Sec. 3.1. (a) This section:

5 (1) applies only to an operating referendum tax levy under  
6 IC 20-46-1 approved by the voters before January 1, 2023, that  
7 is imposed by a school corporation for taxes first due and  
8 payable in 2024 and 2025;

9 (2) does not apply to an operating referendum tax levy under  
10 IC 20-46-1:

11 (A) approved by the voters during a time that the school  
12 corporation imposing the levy was designated as a  
13 distressed political subdivision; or

14 (B) approved by the voters after December 31, 2022, and  
15 before January 1, 2025, that is imposed by a school  
16 corporation for taxes first due and payable in 2024 or 2025;  
17 and

18 (3) does not apply to any other tax year.

19 (b) As used in this section, "ADM" refers to the school  
20 corporation's average daily membership used to determine the state  
21 tuition support distribution under IC 20-43. In the case of a school  
22 corporation that has entered into an agreement with one (1) or more  
23 charter schools to participate as an innovation network charter school  
24 under IC 20-25.7-5, the term includes the average daily membership of  
25 **students described in IC 20-25.7-5-2(b)(2)** of any innovation network  
26 charter school that is treated as a school operated by the school  
27 corporation **with regard to students described in**  
28 **IC 20-25.7-5-2(b)(2)** when calculating the total amount of state tuition  
29 support to be distributed to the school corporation.

30 (c) Notwithstanding any increase in the assessed value of property  
31 from the previous assessment date, for taxes first due and payable in  
32 2024, the total amount of operating referendum tax that may be levied  
33 by a school corporation may not exceed the lesser of:

34 (1) the maximum operating referendum tax that could have been  
35 levied by the school corporation if the maximum referendum rate  
36 was imposed for taxes first due and payable in 2023 multiplied  
37 by one and three-hundredths (1.03); or

38 (2) the maximum operating referendum tax that could otherwise  
39 be levied by the school corporation for taxes first due and  
40 payable in 2024.

41 The tax rate for an operating referendum tax levy shall be decreased,  
42 if necessary, to comply with this limitation.

43 (d) Notwithstanding any increase in the assessed value of property  
44 from the previous assessment date, for taxes first due and payable in  
45 2025, the total amount of operating referendum tax that may be levied  
46 by a school corporation may not exceed the lesser of the following:

47 (1) The maximum operating referendum tax that could have  
48 been levied by the school corporation if the maximum  
49 referendum rate was imposed for taxes first due and payable in

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1 the immediately preceding calendar year, as adjusted by this  
2 section, multiplied by the result determined under STEP SEVEN  
3 of the following formula:

4 STEP ONE: Subtract:

5 (i) the school corporation's spring count of ADM made  
6 in the calendar year preceding by five (5) years the  
7 calendar year in which the property taxes are first due  
8 and payable; from

9 (ii) the school corporation's spring count of ADM  
10 made in the immediately preceding calendar year.

11 STEP TWO: Divide the STEP ONE result by four (4).

12 STEP THREE: Divide the STEP TWO result by the school  
13 corporation's spring count of ADM made in the calendar  
14 year preceding by five (5) years the calendar year in which  
15 the property taxes are first due and payable.

16 STEP FOUR: Multiply the STEP THREE amount by one  
17 and five-tenths (1.5).

18 STEP FIVE: Add the STEP FOUR result and one and  
19 six-hundredths (1.06).

20 STEP SIX: Determine the greater of the STEP FIVE result  
21 or one and six-hundredths (1.06).

22 STEP SEVEN: Determine the lesser of the STEP SIX result  
23 or one and twelve-hundredths (1.12).

24 (2) The maximum operating referendum tax that could otherwise  
25 be levied by the school corporation for taxes first due and  
26 payable in the current calendar year.

27 The tax rate for an operating referendum tax levy shall be decreased,  
28 if necessary, to comply with this limitation.

29 (e) The department of education shall provide to the department  
30 of local government finance each school corporation's applicable ADM  
31 counts as needed to make the determinations under this section.

32 SECTION 3. IC 20-19-3-45.5 IS ADDED TO THE INDIANA  
33 CODE AS A NEW SECTION TO READ AS FOLLOWS  
34 [EFFECTIVE JULY 1, 2026]: **Sec. 45.5. Beginning July 1, 2027, and**  
35 **each July 1 thereafter, the department shall:**

36 (1) **compile a list of business and industry partners that**  
37 **provide guaranteed incentives to high school students who**  
38 **earn the honors employment plus seal; and**

39 (2) **publish the list described in subdivision (1) on the**  
40 **department's website.**

41 SECTION 4. IC 20-24-11-5 IS ADDED TO THE INDIANA  
42 CODE AS A NEW SECTION TO READ AS FOLLOWS  
43 [EFFECTIVE JULY 1, 2026]: **Sec. 5. (a) An existing public**  
44 **elementary or secondary school may be converted into a charter**  
45 **school if the governing body of the school corporation:**

46 (1) **votes to convert the school within the school corporation;**  
47 **and**

48 (2) **submits to an authorizer a proposal described in**  
49 **IC 20-24-3-4 to convert the school within the school**

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corporation to a charter school.

(b) The governing body of the school corporation described in subsection (a) may not serve as the authorizer of the charter school converted in accordance with this section.

(c) The organizer of a conversion charter school described in this section may be:

- (1) the school corporation; or
- (2) a nonprofit corporation that:
  - (A) is established by the school corporation;
  - (B) is incorporated or registered in Indiana;
  - (C) has been recognized by the Internal Revenue Service to be tax exempt and maintains such tax exempt status; and
  - (D) has an independent board whose members have been elected or selected under the organizer's application and that has entered into a contract under this article to operate a charter school.

(d) The governing body of a school corporation may convert more than one (1) existing public elementary or secondary school within the school corporation under this section. The school corporation or an organizer that is a nonprofit corporation established by the school corporation under subsection (c)(2) may:

- (1) submit a separate proposal for each school to an authorizer; or
- (2) with the approval of the authorizer, operate two (2) or more schools under a single charter, provided that each school site:
  - (A) is identified in the charter application and charter; and
  - (B) is subject to the performance conditions, accountability measures, and renewal determinations established in the charter.

(e) A conversion charter school described in this section shall comply with the following:

- (1) All legal requirements described in section 1(d) of this chapter.
- (2) Except as provided in this section, all requirements for charter schools under this article.

SECTION 5. IC 20-25.7-5-2, AS AMENDED BY P.L.213-2025, SECTION 169, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 2. (a) ~~The A~~ board may enter into an agreement with an organizer to:

- (1) reconstitute an eligible school as a participating innovation network charter school; or ~~to~~
- (2) establish a participating innovation network charter school at a location:
  - (A) selected by the board; ~~within the boundary of the school corporation. or~~
  - (B) within the geographic boundaries of any school

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**corporation with which the organizer enters into an agreement under this chapter.**

Notwithstanding IC 20-26-7.1, a participating innovation network charter school may be established within a vacant school building.

(b) The terms of the agreement entered into between ~~the~~ **a board of a school corporation** and an organizer must specify the following:

(1) A statement that the organizer authorizes the department to include the charter school's performance assessment results under IC 20-31-8 **for students who reside within the geographic boundaries of the school corporation** when calculating the school corporation's performance assessment under rules adopted by the state board.

(2) Subject to an administrative fee as described in subsection (g), a statement that the school corporation will distribute at least one hundred percent (100%) of state tuition support dollars that the school corporation receives ~~from student enrollment for students who:~~

**(A) reside within the geographic boundaries of the school corporation; and**

**(B) are enrolled** in the participating innovation network charter school;

in accordance with the school funding formula to the participating innovation network charter school (if the participating innovation network charter school is, **with regard to students described in this subsection**, treated in the same manner as a school operated by the school corporation under subsection (d)(2)).

(3) The performance goals and accountability metrics agreed upon for the charter school in the charter agreement between the organizer and the authorizer and a statement that the school corporation is prohibited from setting additional performance goals or accountability metrics.

(4) For an agreement entered into or renewed after June 30, 2023, the process the board is required to follow in determining whether to renew the agreement.

(5) The amount of money levied as property taxes that will be distributed by the school corporation to the organizer.

(6) Subject to section 5 of this chapter, the participating innovation network charter school's enrollment and discipline policies, including defined attendance areas and enrollment zones.

(7) A statement that the innovation agreement shall not create an obligation that would cause the organizer to be in violation of its charter agreement (as described in IC 20-24-1-3).

(c) If an organizer and ~~the~~ **a board** enter into an agreement under subsection (a), the organizer and the board shall notify the department that the agreement has been made under this section within thirty (30) days after the agreement is entered into.

(d) Upon receipt of the notification under subsection (c), for

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school years starting after the date of the agreement:

(1) the department shall include the participating innovation network charter school's performance assessment results under IC 20-31-8 **for students who reside within the geographic boundaries of the school corporation** when calculating the school corporation's performance assessment under rules adopted by the state board; **and**

(2) the department shall:

(A) treat the participating innovation network charter school in the same manner as a school operated by the school corporation **with regard to students residing within the geographic boundaries of the school corporation** when calculating the total amount of state funding to be distributed to the school corporation unless subsection (e) applies; and

(B) **in determining the school corporation's enrollment, include only eligible pupils enrolled in the participating innovation network charter school who reside within the geographic boundaries of the school corporation.**

~~(3) if requested by a participating innovation network charter school that reconstitutes an eligible school, the department may use student growth as the state board's exclusive means to determine the innovation network charter school's category or designation of school improvement under 511 <IAC 6> [IAC 6]-2-10-10 for a period of three (3) years. Beginning with the 2019-2020 school year, the department may not use student growth as the state board's exclusive means to determine an innovation network charter school's category or designation of school improvement. This subdivision expires July 1, 2023.~~

(e) If a participating innovation network school was established before January 1, 2016, and for the current school year has a complexity index that is greater than the complexity index for the school corporation that the innovation network school has contracted with, the innovation network school shall be treated as a charter school for purposes of determining tuition support. This subsection expires June 30, 2027.

(f) If the board or organizer fails to follow the process described in subsection (b)(4), the board or organizer may appeal to the state board. The state board shall hear the appeal in a public meeting and ensure that the board or organizer follows the renewal process specified in the agreement. The board may not terminate an agreement until the board has provided evidence to the state board that the board has complied with the renewal process specified in the agreement. The state board shall issue a decision on an appeal under this subsection not later than sixty (60) days after the date the board or organizer submitted the appeal to the state board.

(g) If an administrative fee is included in an agreement entered into or renewed **under this chapter** after June 30, ~~2023~~, **2026**, under

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1 this section, the fee may not exceed one percent (1%) of the total  
 2 amount of state tuition support that is distributed to the school  
 3 corporation based on the participating innovation network charter  
 4 school's student enrollment. **each school corporation with which an  
 5 organizer of a participating innovation network charter school has  
 6 entered into an agreement may assess an administrative fee of not  
 7 more than one percent (1%) of the tuition support dollars that the  
 8 school corporation receives for students who:**

9 **(1) reside within the geographic boundaries of the school  
 10 corporation; and**

11 **(2) are enrolled in the participating innovation network  
 12 charter school.**

13 (h) An agreement entered into between the board and an organizer  
 14 under this section may not be altered without written approval from the  
 15 organizer.

16 SECTION 6. IC 20-25.7-5-2.5 IS ADDED TO THE INDIANA  
 17 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 18 [EFFECTIVE JULY 1, 2026]: **Sec. 2.5. In addition to any state  
 19 tuition support dollars a participating innovation network charter  
 20 school receives from a school corporation under this chapter, the  
 21 department shall treat the participating innovation network  
 22 charter school as a charter school when calculating the tuition  
 23 support to be distributed to the innovation network charter school  
 24 for students of the innovation network charter school who do not  
 25 reside within the geographic boundaries of a school corporation  
 26 with which the innovation network charter school has an  
 27 agreement under this chapter.**

28 SECTION 7. IC 20-25.7-5-5, AS AMENDED BY P.L.220-2021,  
 29 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 30 JULY 1, 2026]: **Sec. 5. (a) IC 20-24-5-5 (with the exception of  
 31 IC 20-24-5-5(g)) does not apply to a participating innovation network  
 32 charter school that enters into an agreement with the board to  
 33 reconstitute or establish an eligible school.**

34 (b) Except as provided in subsections (c) and (d), a participating  
 35 innovation network charter school must enroll any eligible student who  
 36 submits a timely application for enrollment.

37 (c) A participating innovation network charter school that  
 38 reconstitutes or establishes an eligible school may limit new  
 39 admissions to the participating innovation network charter school to:

40 (1) ensure that any student with legal settlement in the  
 41 attendance area, or in ~~the school corporation~~ **any school  
 42 corporation with which the participating innovation network  
 43 charter school has entered into an agreement under this  
 44 chapter** if the school does not have a defined attendance area,  
 45 may attend the charter school;

46 (2) ensure that a student who attends the participating innovation  
 47 network charter school during a school year may continue to  
 48 attend the charter school in subsequent years;

49 (3) allow the siblings of a student alumnus or a current student

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- 1 who attends the participating innovation network charter school  
 2 to attend the charter school;
- 3 (4) allow preschool students who attend a Level 3 or Level 4  
 4 Paths to QUALITY program preschool to attend kindergarten at  
 5 the participating innovation network charter school if the  
 6 participating innovation network charter school and the school  
 7 corporation or preschool provider have entered into an  
 8 agreement to share services or facilities;
- 9 (5) allow each student who qualifies for free or reduced price  
 10 lunch under the national school lunch program to receive  
 11 preference for admission to the participating innovation network  
 12 charter school if the preference is specifically provided for in the  
 13 charter and is approved by the authorizer; and
- 14 (6) allow each student who attended a turnaround academy or  
 15 attends a school that is located in the same school building as the  
 16 participating innovation network charter school to receive  
 17 preference for admission to the participating innovation network  
 18 charter school if the preference is specifically provided for in the  
 19 participating innovation network charter school's charter and is  
 20 approved by the authorizer of the participating innovation  
 21 network charter school.
- 22 (d) A participating innovation network charter school with a  
 23 curriculum that includes study in a foreign country may deny admission  
 24 to a student if:
- 25 (1) the student:
- 26 (A) has completed fewer than twenty-two (22) academic  
 27 credits required for graduation; and
- 28 (B) will be in the grade 11 cohort during the school year in  
 29 which the student seeks to enroll in the participating  
 30 innovation network charter school; or
- 31 (2) the student has been suspended (as defined in IC 20-33-8-7)  
 32 or expelled (as defined in IC 20-33-8-3) during the twelve (12)  
 33 months immediately preceding the student's application for  
 34 enrollment for:
- 35 (A) ten (10) or more school days;
- 36 (B) a violation under IC 20-33-8-16;
- 37 (C) causing physical injury to a student, a school employee,  
 38 or a visitor to the school; or
- 39 (D) a violation of a school corporation's drug or alcohol  
 40 rules.
- 41 For purposes of subdivision (2)(A), student discipline received under  
 42 IC 20-33-8-25(b)(7) for a violation described in subdivision (2)(B)  
 43 through (2)(D) must be included in the calculation of the number of  
 44 school days that a student has been suspended.
- 45 (e) A participating innovation network charter school may give  
 46 enrollment preferences to children of the participating innovation  
 47 network charter school's founders, governing board members, and  
 48 participating innovation network charter school employees, as long as  
 49 the enrollment preference under this subsection is not given to more

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1 than ten percent (10%) of the participating innovation charter school's  
2 total population and there is sufficient capacity for a program, class,  
3 grade level, or building to ensure that any student with legal settlement  
4 in the attendance area may attend the school.

5 (f) This subsection applies to an existing charter school that enters  
6 into an innovation network agreement with ~~the~~ a board. During the  
7 charter school's first year of operation as a participating innovation  
8 network charter school, the charter school may limit admission to:

9 (1) those students who were enrolled in the charter school on the  
10 date it entered into the innovation network agreement; and

11 (2) siblings of students described in subdivision (1).

12 (g) This subsection applies if the number of applications for a  
13 program, class, grade level, or building exceeds the capacity of the  
14 program, class, grade level, or building. If a participating innovation  
15 network charter school receives a greater number of applications than  
16 there are spaces for students, each timely applicant must be given an  
17 equal chance of admission. The participating innovation network  
18 charter school that is not in a county containing a consolidated city  
19 must determine which of the applicants will be admitted to the  
20 participating innovation network charter school or the program, class,  
21 grade level, or building by random drawing in a public meeting with  
22 each timely applicant limited to one (1) entry in the drawing. However,  
23 the participating innovation network charter school located in a county  
24 with a consolidated city shall determine which of the applicants will be  
25 admitted to the participating innovation network charter school or the  
26 program, class, grade level, or building by using a publicly verifiable  
27 random selection process.

28 SECTION 8. IC 20-25.7-5-6, AS ADDED BY P.L.162-2024,  
29 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
30 JULY 1, 2026]: Sec. 6. (a) Subject to an administrative fee as described  
31 in section 2(g) of this chapter, a school corporation that enters into an  
32 agreement with an organizer under this chapter shall distribute at least  
33 one hundred percent (100%) of state tuition support dollars that the  
34 school corporation receives from ~~student enrollment~~ **students who:**

35 **(1) reside in the geographic boundaries of the school**  
36 **corporation; and**

37 **(2) are enrolled** in the participating innovation network charter  
38 school;

39 in accordance with the school funding formula to the participating  
40 innovation network charter school.

41 (b) Unless an agreement entered into before July 1, 2024, between  
42 a board and an organizer provides otherwise, all participating  
43 innovation network charter schools operating under existing  
44 agreements with boards as of July 1, 2024, will receive funds as  
45 required under subsection (a).

46 SECTION 9. IC 20-26-7-47, AS AMENDED BY P.L.36-2024,  
47 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
48 JULY 1, 2026]: Sec. 47. (a) The following definitions apply throughout  
49 this section:

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- 1 (1) "Covered school building" has the meaning set forth in
- 2 IC 20-26-7.1-2.1.
- 3 (2) "Current school year" refers to a year in which the governing
- 4 body is required to conduct a review of school building usage
- 5 under subsection (c).
- 6 (3) "Enrollment" refers to the following:
- 7 (A) Except as provided in clause (B), students counted in
- 8 ADM (as defined in IC 20-43-1-6) in the first count date for
- 9 a school year fixed under IC 20-43-4-3.
- 10 (B) With regard to a school corporation, students counted in
- 11 a school corporation's fall count of ADM minus all students
- 12 counted in the fall count of ADM who are enrolled in
- 13 eligible schools that:
- 14 (i) have entered into an agreement with the school
- 15 corporation to participate as a participating innovation
- 16 network charter school under IC 20-25.7-5; and
- 17 (ii) are included in the school corporation's fall ADM
- 18 count.
- 19 (4) "Interested person" has the meaning set forth in
- 20 IC 20-26-7.1-2.2.
- 21 (b) This section applies to a school corporation only if:
- 22 (1) the total student enrollment for in-person instruction in the
- 23 school corporation in the current school year is at least ten
- 24 percent (10%) less than the student enrollment for in-person
- 25 instruction in the school corporation in a school year that
- 26 precedes the current school year by five (5); and
- 27 (2) the school corporation in the current school year has more
- 28 than one (1) school building serving the same grade level as the
- 29 school building subject to closure under this section.
- 30 (c) Each school year, the governing body of a school corporation
- 31 shall review the usage of school buildings used by the school
- 32 corporation to determine whether any school building should be closed
- 33 for the ensuing school year and subsequent school years.
- 34 (d) A school corporation shall close a school building for the
- 35 ensuing school year (and subsequent school years) if:
- 36 (1) at any time the school building had been used for classroom
- 37 instruction;
- 38 (2) in the current school year and the two (2) school years
- 39 immediately preceding the current school year the school
- 40 building was underutilized for classroom instruction purposes or
- 41 other allowable uses specified by this section;
- 42 (3) as of the end of the school year before the school building is
- 43 required to be closed under this section, the school corporation
- 44 was not subject to a transitional plan adopted by the governing
- 45 body and approved by the department to use the school building
- 46 for an allowable use not later than the next school year after the
- 47 school building is otherwise required to be closed under this
- 48 section;
- 49 (4) in the case of a school building that was used in any part in

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1 the current school year for instructional purposes, the school  
2 corporation has another school building:

- 3 (A) with sufficient capacity to take the students using the  
4 school building being considered for closure; and
- 5 (B) that does not require more than twenty (20) minutes of  
6 travel time by car or bus from the school building being  
7 considered for closure; and

8 (5) the school building is not a school building described in  
9 IC 20-26-7.1-1, IC 20-26-7.1-3(b), IC 20-26-7.1-3(c), or  
10 IC 20-26-7.1-3(d).

11 (e) For purposes of this section, a school building is underutilized  
12 in a school year if the school building is not used for any of the  
13 following allowable uses:

- 14 (1) The number of full-time equivalent students enrolled for  
15 in-person instruction in the school building on instructional days  
16 (as determined under IC 20-30-2) for instructional purposes,  
17 averaged over the current school year and the two (2) school  
18 years immediately preceding the current school year, is at least  
19 fifty percent (50%) of:
  - 20 (A) the known classroom design capacity of the school  
21 building; or
  - 22 (B) if the design capacity is not known, the average  
23 maximum full-time equivalent enrollment in any of the last  
24 twenty-five (25) years, as validated by records created or  
25 maintained by the department.
- 26 (2) The school corporation demonstrates through facts included  
27 in a resolution that the school building is being used and that it  
28 is financially prudent to continue to use the school building,  
29 considering all community resources, for a distinct student  
30 population that reasonably cannot be served through integration  
31 with the general school population, such as students attending an  
32 alternative education program (as defined in IC 20-30-8-1).  
33 However, to be an allowable use under this subdivision, the  
34 average number of full-time equivalent students using the school  
35 building in a school year for instructional purposes must be at  
36 least thirty percent (30%) of:
  - 37 (A) the known classroom design capacity of the school  
38 building; or
  - 39 (B) if the design capacity is not known, the average  
40 maximum full-time equivalent enrollment in any of the last  
41 twenty-five (25) years, as validated by records created or  
42 maintained by the department; and
- 43 (if multiple school buildings are used for the same purposes)  
44 combining the student populations into fewer school buildings  
45 is not reasonably feasible.
- 46 (3) The school corporation demonstrates through facts included  
47 in a resolution that the school building is being used and that it  
48 is financially prudent to continue to use the school building,  
49 considering all community resources, for administrative or other

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school offices. However, to be an allowable use under this subdivision, at least fifty percent (50%) of the square footage of the school building must be used for offices, the personnel headquartered in the school building must consistently use the space for office purposes, and the occupancy cost of using the school building cannot be more than comparable office space that is available in the school district.

(4) The school corporation demonstrates through facts included in a resolution that the school building is being used and that it is financially prudent to continue to use the school building, considering all community resources, for storage. However, to be an allowable use under this subdivision, at least fifty percent (50%) of the square footage of the school building must be used for storage, on average the storage space must be used to capacity, and the cost of using the school building for storage must be less than comparable storage space that is available in the school district.

(5) The school corporation demonstrates through facts included in a resolution that the school building is being used and that it is financially prudent to continue to use the school building, considering all community resources, for a combination of office space and storage. However, to be an allowable use under this subdivision, at least fifty percent (50%) of the square footage of the school building must be used for a combination of office space and storage and:

(A) the personnel headquartered in the school building must consistently use the office space for office purposes, and the occupancy cost of using the office space, calculated using the costs of operating the school building, cannot be more than comparable office space that is available in the school district; and

(B) on average, the storage space must be used to capacity and the cost of using the school building for storage must be less than comparable storage space that is available in the school district.

(f) Closure of a school building that is:

(1) owned by the school corporation or any other entity that is related in any way to, or created by, the school corporation or the governing body; or

(2) jointly owned in the same manner by two (2) or more school corporations;

shall be carried out in conformity with IC 20-26-7.1.

(g) Before filing a petition under subsection (h), a charter school or state educational institution that is interested in a school corporation's school building must give written notice to the school corporation to determine whether an agreement can be reached regarding the school corporation making the school building available for lease or purchase under IC 20-26-7.1.

(h) If an agreement is not reached within forty-five (45) days after

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1 the date that the school corporation receives the notice under  
 2 subsection (g), the charter school or state educational institution may  
 3 petition the department to initiate or the department on its own may  
 4 initiate a proceeding for a determination as to whether a school  
 5 building meets the criteria for closure under this section or a covered  
 6 school building that is no longer used for classroom instruction by a  
 7 school corporation should be made available under IC 20-26-7.1. If a  
 8 charter school or state educational institution petitions the department  
 9 under this subsection, the charter school or state educational institution  
 10 must provide a copy of the petition to the applicable school  
 11 corporation.

12 (i) An interested person that is not otherwise a party to the  
 13 proceeding may intervene in the proceeding under subsection (h) as a  
 14 party. The school corporation has the burden of going forward with the  
 15 evidence and the burden of proof to demonstrate that the school  
 16 building does not meet the criteria for closure or the covered school  
 17 building is not required to be made available under IC 20-26-7.1.

18 (j) Not more than ~~sixty (60)~~ **thirty (30)** days after receiving notice  
 19 of a petition under subsection (h), the school corporation must:

20 (1) file a response to the petition that notifies the department that  
 21 the school corporation:

22 (A) is not contesting the petition; or

23 (B) is contesting the petition and states the facts upon which  
 24 the school corporation relies in contesting the petition; and

25 (2) provide a copy of the response to the petitioner and any  
 26 intervening party.

27 (k) If the school corporation:

28 (1) files a response that the school corporation is not contesting  
 29 the petition; or

30 (2) fails to submit a timely response under subsection (j);

31 the department shall issue an order granting the petition. A petition and  
 32 any response or reply are public documents.

33 (l) If a school corporation contests a petition under subsection (j),  
 34 a party to the proceeding has not more than ~~sixty (60)~~ **thirty (30)** days  
 35 after the date that the school corporation files a response under  
 36 subsection (j) to submit a reply to the school corporation's response.

37 (m) The department shall make a determination regarding a  
 38 petition under subsection (h) not more than ~~one hundred twenty (120)~~  
 39 **sixty (60)** days after the date that the:

40 (1) petitioner and any intervening party have submitted a reply  
 41 under subsection (l); or

42 (2) time period to reply under subsection (l) has expired.

43 (n) **Not later than sixty (60) days after the date that the**  
 44 **department issues a determination under subsection (m)**, a school  
 45 corporation or another party to the proceeding may file with the state  
 46 board a petition requesting review of the department's determination.  
 47 Upon receipt of a petition under this subsection, the state board shall  
 48 review the department's determination. An appeal to the state board  
 49 shall be subject to the procedure described in IC 20-26-11-15(b).

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1 (o) Upon the issuance of a final unappealable order granting a  
2 petition, the school corporation shall make the school building  
3 available for lease or purchase in accordance with IC 20-26-7.1. **The**  
4 **school corporation has not more than thirty (30) days after the**  
5 **date the notice of a final unappealable order is received by the**  
6 **school corporation to complete the lease or sale of the covered**  
7 **school building to the charter school or state educational**  
8 **institution.**

9 (p) **If the transaction described in subsection (o) is not**  
10 **completed within thirty (30) days, the charter school or state**  
11 **educational institution may bring a civil action against the school**  
12 **corporation. The court may award to a charter school or state**  
13 **educational institution who prevails in an action under this**  
14 **subsection the following:**

- 15 (1) **Injunctive relief.**
- 16 (2) **Liquidated damages computed at a rate of ten thousand**  
17 **dollars (\$10,000) per day for each day that exceeds the ten**  
18 **(10) day time frame described in subsection (o).**

19 (q) **A lease or sale of a covered school building to a charter**  
20 **school or a state educational institution under this section includes**  
21 **transfer of:**

- 22 (1) **those assets that are fixtures of the covered school**  
23 **building; and**
- 24 (2) **adjacent parking lots and playgrounds.**

25 SECTION 10. IC 20-26-7-48, AS ADDED BY P.L.189-2023,  
26 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
27 JULY 1, 2026]: Sec. 48. (a) The following definitions apply throughout  
28 this section:

29 (1) "Current school year" refers to a year in which the governing  
30 body is required to conduct a review of school building usage  
31 under section 47(c) of this chapter.

32 (2) "Enrollment" has the meaning set forth in section 47(a)(3) of  
33 this chapter.

34 (b) This section applies to a school corporation only if:

35 (1) the total student enrollment for in-person instruction in the  
36 school corporation in the current school year is at least ten  
37 percent (10%) less than the student enrollment for in-person  
38 instruction in the school corporation in a school year that  
39 precedes the current school year by five (5); and

40 (2) the school corporation in the current school year has more  
41 than one (1) school building serving the same grade level as a  
42 school building subject to closure under section 47 of this  
43 chapter.

44 (c) Each school corporation shall annually report to the  
45 department, in the form and on the schedule specified by the  
46 department, the following information:

- 47 (1) A listing of all buildings owned or leased by the school  
48 corporation that were originally designed as a school building.
- 49 (2) The following information for each building listed in

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subdivision (1):

- (A) Designed occupancy, regardless of current use.
- (B) Current use (and percentage of use) for classroom instruction, as special use classrooms, as office space, or as storage or alternatively the building's status as transitioning from one (1) use or combination of uses to another.
- (C) The following information:
  - (i) Current average full-time equivalent student enrollment for in-person instruction in the school building on instructional days (as determined under IC 20-30-2) in a school year.
  - (ii) Percentage of instructional use.
  - (iii) Percentage of use for other purposes.
- (D) Self-evaluation of whether the building qualifies for closure under section 47 of this chapter or the school board otherwise intends to close the building and the date closure will occur (if applicable).

**(d) A school corporation that fails to report the information described in subsection (c) to the department when requested by the department and within the schedule specified by the department shall be subject to a state tuition support monthly distribution reduction of twenty-five percent (25%) until the report is provided to the department. A school corporation is entitled to recover the state tuition support lost as a result of a reduction described in this subsection. The department shall issue the recovered state tuition within fifteen (15) days of receiving the report.**

SECTION 11. IC 20-26-7.1-4, AS AMENDED BY P.L.1-2025, SECTION 188, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) Not later than thirty (30) days after the date a governing body of a school corporation determines at a public meeting to cease using a covered school building for classroom instruction on student instructional days (as described in IC 20-30-2-2) for a school year as required under IC 20-30-2-3, a school corporation shall provide written notice to the department regarding the date that the covered school building has ceased or will cease being used for classroom instruction as described in this subsection.

(b) If the school corporation does not intend to make a covered school building available for lease or purchase in accordance with this chapter, the school corporation shall state in the notice required under subsection (a) the factual and legal basis for the school corporation's contention that the covered school building is not required to be made available under this chapter. **The school corporation has the burden of going forward with the evidence and the burden of proof to demonstrate that the covered school building is not required to be made available under this chapter.** Any claim for exclusion from a requirement to make the covered school building available under this chapter which is not stated in the notice under this subsection is

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waived.

(c) If a school corporation does not provide notice to the department under subsection (a), any claim for exclusion from a requirement to make the covered school building available under this chapter is waived.

(d) Not later than fifteen (15) days after the date that the department receives a notice from a school corporation under subsection (a), the department shall provide written notice to all interested persons regarding the notice from the school corporation submitted under subsection (a).

(e) If a notice from a school corporation under subsection (a) acknowledges that the covered school building will be made available in accordance with this chapter, the department's notice to interested persons shall provide that any notice of interest by an interested person for the covered school building must be submitted to the department not later than sixty (60) days after the date the interested person receives the department's notice under subsection (d).

(f) If a notice from a school corporation under subsection (a) includes a claim that the covered school building will not be made available under this chapter, an interested person may submit to the department, not later than thirty (30) days after the date the interested person receives the notice from the department under subsection (d), a rebuttal to the factual and legal basis for the school corporation's contention that the covered school building is not required to be made available under this chapter.

(g) The department shall, not later than sixty (60) days after the date that a rebuttal is due under subsection (f), issue a determination to the school corporation and interested persons as to whether the covered school building must be made available under this chapter. The department shall publish a copy of the department's determination on the department's website.

(h) Not later than ~~thirty (30)~~ **sixty (60)** days after the date that the department issues a determination under subsection (g), a school corporation or interested person may appeal the determination to the state board. An appeal to the state board shall be subject to the procedure described in IC 20-26-11-15(b) **and shall be considered final and binding on the parties to the proceeding.**

**(i) The state board shall issue a final determination on an appeal filed under subsection (h) not later than forty-five (45) days after the date on which an appeal is filed.**

**(j) If the school corporation or interested person chooses to appeal a final determination issued by the state board under subsection (i), the appeal may only be filed in the court of appeals and must be filed not later than thirty (30) days after the date the final determination is issued by the state board. A school corporation that files an appeal of the state board's final determination and is determined to be the nonprevailing party by the court of appeals shall be responsible for the reasonable attorney's fees incurred by the prevailing party.**

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1            ~~(j)~~ **(k)** Not later than fifteen (15) days after:  
 2            (1) the time expires for an appeal to the state board of a  
 3            department determination under subsection (g) or IC 20-26-7-47  
 4            that a covered school building be made available; or  
 5            (2) a **final** determination by the state board that a covered school  
 6            building is to be made available is issued;  
 7            the governing body shall take the actions specified by subsection ~~(j)~~:  
 8            **(l)**. If the governing body fails to take the actions, the department shall  
 9            request that the attorney general enforce the order under section 9(a)  
 10            of this chapter.

11            ~~(j)~~ **(l)** ~~Not later than fifteen (15) days after the department~~  
 12            **provides notice to all interested parties under subsection (d) that**  
 13            **a covered school building is to be made available, the governing body**  
 14            **shall do the following:**

15            (1) Make the covered school building available for inspection by  
 16            a charter school or state educational institution that notifies the  
 17            department that it is interested in leasing or purchasing the  
 18            covered school building.

19            (2) Make the following information available to a charter school  
 20            or state educational institution described in subdivision (1):

21            (A) Estimates of the operating expenses for the covered  
 22            school building for the past three (3) years.

23            (B) Written information regarding the condition of the  
 24            covered school building, including the age of the roof and  
 25            the HVAC system, and any known conditions which, in the  
 26            governing body's opinion, require prompt repair or  
 27            replacement.

28            (C) A legal description of the property.

29            ~~(k)~~ **(m)** If the governing body fails to take the actions required  
 30            under subsection ~~(j)~~; **(l)**, a charter school having notified the school  
 31            corporation of its interest in the covered school building is entitled to  
 32            an injunction requiring the governing body to take the actions under  
 33            subsection ~~(j)~~; **(l)**.

34            ~~(j)~~ **(n)** The school corporation shall lease the covered school  
 35            building to a charter school or state educational institution for one  
 36            dollar (\$1) per year for as long as the state educational institution uses  
 37            the covered school building for an academic purpose or the charter  
 38            school uses the covered school building for classroom instruction, for  
 39            a term at the state educational institution's or charter school's  
 40            discretion, or sell the covered school building for one dollar (\$1), if the  
 41            charter school or state educational institution does the following:

42            (1) Within ninety (90) days of receiving the department's notice  
 43            under subsection (d), a charter school or state educational  
 44            institution must submit a preliminary request to purchase or  
 45            lease the covered school building.

46            (2) Subject to subsection ~~(m)~~; **(o)**, within ninety (90) days of  
 47            receiving the department's notice under subsection (d), a charter  
 48            school or state educational institution must submit to the school  
 49            corporation the following information:

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(A) The name of the charter school or state educational institution that is interested in leasing or purchasing the covered school building.

(B) A time frame, which may not exceed three (3) years from the date that the covered school building is to be closed, no longer used, or no longer occupied, in which the:

(i) charter school intends to begin providing classroom instruction in the covered school building; or

(ii) state educational institution intends to begin using the covered school building for an academic purpose.

(C) A resolution, adopted by the board of the charter school or state educational institution stating that the board of the charter school or state educational institution has determined that, after the charter school or state educational institution has made any necessary repairs or modifications, the covered school building will be sufficient to meet the charter school's or state educational institution's needs and can be operated within the charter school's or state educational institution's budget.

~~(m)~~ **(o)** If the department does not receive any preliminary requests to purchase or lease a covered school building within the time frame described in subsection ~~(h)(1)~~; **(n)(1)**, the department shall send notification to the school corporation that the department has not received any preliminary requests to purchase or lease the covered school building. Upon receipt of the notification under this subsection, the school corporation may **sell or lease the covered school building to the county or municipal government in which the school corporation is located for a mutually agreed upon price. If the county or municipal government does not purchase or lease the covered school building, the school corporation may sell or otherwise dispose of the covered school building in accordance with IC 36-1-11, IC 20-25-4-14, and IC 20-26-5-4(a)(7).**

~~(n)~~ **(p)** If only one (1) charter school submits a preliminary request to purchase or lease the covered school building, the department shall notify the school corporation of the identity of the charter school and direct the school corporation to complete a sale or lease to the charter school in accordance with subsection ~~(r)~~; **(t)**. In the event that two (2) or more charter schools submit a preliminary request to purchase or lease a covered school building within the time frame described in subsection ~~(h)(1)~~; **(n)(1)**, the department shall send notification to each interested person and the school corporation that the department has received two (2) or more preliminary requests under this section. An authorizer committee shall be established, with each statewide authorizer that has authorized one (1) or more charter schools appointing a representative, and the committee shall establish the chairperson and procedures for the committee. Within sixty (60) days of receiving notice under this subsection, the committee shall select which charter school may proceed under subsection ~~(r)~~ **(t)** to purchase or lease the covered school building or determine if two (2) or more

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1 charter schools should co-locate within the covered school building.  
2 The committee shall base the committee's decision on the following  
3 criteria:

- 4 (1) Preference shall be given to existing charter schools that have
- 5 a proven track record of student academic performance.
- 6 (2) If two (2) or more charter schools of proven academic
- 7 performance are competing and only one (1) charter school is
- 8 operating in the county in which the covered school building is
- 9 located, the charter school in the same county as the covered
- 10 school building shall be given preference.

11 In the event that the committee determines that two (2) or more charter  
12 schools should co-locate in the covered school building, the charter  
13 schools have sixty (60) days to submit a memorandum of  
14 understanding stating that the charter schools shall be jointly and  
15 severally liable for the obligations related to the sale or lease of the  
16 covered school building, and specifying how the charter schools will  
17 utilize the covered school building and share responsibility for  
18 operational, maintenance, and renovation expenses. If the charter  
19 schools are unable to agree, the charter schools shall be deemed to have  
20 revoked their prior request regarding the lease or sale of the covered  
21 school building. The committee shall give notice of the committee's  
22 decision to the school corporation and each interested person. A charter  
23 school that is not selected by the committee may appeal the decision to  
24 the state board not more than thirty (30) days after receipt of the  
25 committee's decision. The state board shall issue a final order in the  
26 appeal not more than sixty (60) days after receipt of a properly filed  
27 appeal. Notice of the appeal and the final order in the appeal must be  
28 given to the school corporation.

29 ~~(p)~~ (q) If a charter school does not submit a preliminary request to  
30 purchase or lease the covered school building and only one (1) state  
31 educational institution submits a preliminary request to purchase or  
32 lease the covered school building, the department shall:

- 33 (1) notify the school corporation of the identity of the state
- 34 educational institution; and
- 35 (2) direct the school corporation to complete a sale or lease to
- 36 the state educational institution in accordance with subsection
- 37 ~~(r)~~ (t).

38 ~~(p)~~ (r) If one (1) or more state educational institutions submit  
39 preliminary requests to purchase or lease a covered school building, a  
40 selection committee shall be established consisting of one (1) member  
41 appointed by the executive of the largest city or town in the county in  
42 which the covered school building is located, one (1) member  
43 appointed by the city or town council of the largest city or town in the  
44 county in which the covered school building is located, one (1) member  
45 appointed by the county commissioners of the county in which the  
46 covered school building is located, one (1) member appointed by the  
47 county council of the county in which the covered school building is  
48 located, and one (1) member appointed by the chamber of commerce  
49 of the county in which the covered school building is located.

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1           ~~(q)~~ **(s)** Not later than sixty (60) days after the date that a member  
2 is appointed under subsection ~~(p)~~; **(r)**, the committee shall:

3           (1) select which state educational institution may proceed to  
4 purchase or lease the covered school building; or

5           (2) determine whether more than one (1) state educational  
6 institution should co-locate within the covered school building.

7 In making the committee's determination, the committee shall give  
8 preference to a state educational institution whose proposed use of the  
9 covered school building is assessed as having the greatest educational  
10 benefit for prekindergarten through grade 12 education. A committee  
11 determination under this subsection may not be appealed.

12           ~~(r)~~ **(t)** A school corporation shall lease the covered school building  
13 for one dollar (\$1) per year to the charter school or state educational  
14 institution for as long as the:

15           (1) charter school uses the covered school building for classroom  
16 instruction for any combination of kindergarten through grade  
17 12; or

18           (2) state educational institution uses the covered school building  
19 for an academic purpose.

20 The term of the lease shall be established at the charter school's or state  
21 educational institution's discretion and include an option for the state  
22 educational institution or charter school to purchase the covered school  
23 building for one dollar (\$1). Alternatively, the school corporation shall  
24 sell the covered school building to the charter school or state  
25 educational institution for one dollar (\$1), if the charter school or state  
26 educational institution has met the requirements set forth in subsection  
27 ~~(j)~~ **(n)** and uses the covered school building in the manner prescribed  
28 by this subsection. If the charter school or state educational institution  
29 selected to lease or purchase the covered school building has met the  
30 requirements under subsection ~~(j)~~; **(n)**, the school corporation has not  
31 more than ~~ninety (90)~~ **thirty (30)** days after the date notice of a final  
32 unappealable decision is received by the school corporation to  
33 complete the lease or sale of the covered school building to the charter  
34 school or state educational institution. If the transaction is not  
35 completed within ~~ninety (90)~~ **thirty (30)** days, the department or the  
36 selected charter school or state educational institution may, under  
37 section 9 of this chapter, request that the attorney general enforce the  
38 sale or lease or may file suit to enforce the sale or lease. If a charter  
39 school or state educational institution has not met the requirements  
40 under subsection ~~(j)~~; **(n)**, the school corporation may sell or otherwise  
41 dispose of the covered school building in accordance with IC 36-1-11,  
42 IC 20-25-4-14, and IC 20-26-5-4(a)(7).

43           **(u) In addition to a request that the attorney general enforce**  
44 **the sale or lease or file suit to enforce the sale or lease of a covered**  
45 **school building under subsection (t), if the transaction described in**  
46 **subsection (t) is not completed within thirty (30) days after the date**  
47 **the notice of a final unappealable decision is received by the school**  
48 **corporation, the charter school or state educational institution may**  
49 **bring a civil action against the school corporation. The court may**

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award to a charter school or state educational institution that prevails in an action under this subsection the following:

- (1) Injunctive relief.
- (2) Liquidated damages computed at a rate of ten thousand dollars (\$10,000) per day for each day that exceeds the ten (10) day time frame described in subsection (t).

(v) A lease or sale of a covered school building to a charter school or a state educational institution under this section includes transfer of:

- (1) those assets that are fixtures of the covered school building; and
- (2) adjacent parking lots and playgrounds.

SECTION 12. IC 20-26-7.1-5, AS AMENDED BY P.L.135-2025, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 5. (a) If:

- (1) a covered school building is sold to a charter school or state educational institution under section 4 of this chapter; and
- (2) the charter school or state educational institution described in subdivision (1) no longer intends to use the covered school building for the purposes described in section ~~4(t)~~ **4(n)** of this chapter;

the charter school or state educational institution shall offer to transfer the covered school building back to the school corporation that initially sold the covered school building to the charter school or state educational institution.

(b) If a school corporation described in subsection (a) declines the offer to transfer a covered school building back to the school corporation, the charter school or state educational institution may sell or transfer the covered school building to a third party. If a charter school or state educational institution sells or transfers a covered school building to a third party under this subsection, the charter school or state educational institution must transfer an amount equal to the gain in the property minus the adjusted basis (including costs of improvements to the covered school building) to the school corporation that initially sold the covered school building to the charter school or state educational institution. Gain and adjusted basis shall be determined in the manner prescribed by the Internal Revenue Code and the applicable Internal Revenue Service regulations and guidelines.

(c) A charter school or state educational institution that purchases a covered school building assumes total control of the covered school building and must maintain the covered school building, including utilities, insurance, maintenance, and repairs. Except as provided in subsection (d), in the event a:

- (1) charter school does not use the covered school building for classroom instruction; or
- (2) state educational institution does not use the covered school building for an academic purpose;

within ~~two (2)~~ **three (3)** years after acquiring the covered school building, the covered school building shall revert to the school

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1 corporation, which may sell or otherwise dispose of the covered school  
2 building under IC 36-1-11.

3 (d) In the event a:

4 (1) charter school does not use the covered school building for  
5 classroom instruction; or

6 (2) state educational institution does not use the covered school  
7 building for an academic purpose;

8 as a result of being engaged in ongoing renovations for an acquired  
9 covered school building, within ~~two (2)~~ **three (3)** years after acquiring  
10 an occupancy permit for the covered school building, the covered  
11 school building shall revert to the school corporation, which may sell  
12 or otherwise dispose of the covered school building under IC 36-1-11.

13 SECTION 13. IC 20-26-7.1-5.3, AS AMENDED BY P.L.36-2024,  
14 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
15 JULY 1, 2026]: Sec. 5.3. (a) This section applies to a covered school  
16 building to which the following apply:

17 (1) The covered school building was purchased or leased by a  
18 charter school under this chapter.

19 (2) The total student enrollment for in-person instruction in the  
20 school building in the current school year is at least ten percent  
21 (10%) less than the student enrollment for in-person instruction  
22 in the school building in a school year that precedes the current  
23 school year by five (5).

24 (b) A school corporation may not petition the department under  
25 subsection (c) within the first five (5) years after a charter school  
26 purchased or initially leased a covered school building under this  
27 chapter.

28 (c) Subject to subsection (f), if:

29 **(A)** the number of full-time equivalent students enrolled for  
30 in-person instruction in a school building on instructional days  
31 (as determined under IC 20-30-2) for instructional purposes for  
32 a school year is not at least fifty percent (50%) of the classroom  
33 design capacity of the school building; **and**

34 **(B) it is consistent with the needs of the school corporation's**  
35 **strategic plan;**

36 the school corporation that leased or sold the school building to the  
37 charter school may file a petition with the department requesting that  
38 the charter school transfer the school building back to the school  
39 corporation.

40 (d) Before filing a petition under subsection (c), the school  
41 corporation must give written notice to the charter school to determine  
42 whether an agreement can be reached regarding transferring the school  
43 building to the school corporation.

44 (e) A petition filed under this section is subject to the same  
45 procedures under IC 20-26-7-47 as a petition filed under  
46 IC 20-26-7-47(h).

47 (f) For purposes of determining classroom design capacity under  
48 subsection (c), if a charter school reconfigures a school building after  
49 the charter school leases or purchases the school building, the

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1 classroom design capacity must be determined based on the  
 2 reconfigured school building and not the classroom design capacity of  
 3 the school building at the time of the lease or purchase.

4 ~~← (g) A school corporation that receives a school building back  
 5 from a charter school pursuant to a petition filed under subsection  
 6 (c) shall pay the charter school for capital improvements the  
 7 charter school made to the school building minus depreciation.~~

8 > SECTION 14. IC 20-32-6.5-3, AS ADDED BY P.L.180-2025,  
 9 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 10 JULY 1, 2026]: Sec. 3. (a) Beginning with the 2026-2027 school year,  
 11 if a school determines that a student in kindergarten through grade 8 is  
 12 at risk of not achieving grade level proficiency in mathematics as  
 13 determined by an analysis of the student's data from:

- 14 (1) a grade level screener approved by the department; or
- 15 (2) a through-year statewide assessment;

16 the school must provide intervention that meets the requirements under  
 17 subsection (b).

18 (b) A school shall provide intervention to a student described in  
 19 subsection (a) that meets the following conditions:

- 20 (1) The intervention includes a multitiered system of support that  
 21 progresses from less to more intensive support based on the  
 22 student's individual needs.
- 23 (2) The intervention is aligned to daily Tier I instruction and  
 24 standard level learning progressions.
- 25 (3) The intervention is:
  - 26 (A) targeted;
  - 27 (B) differentiated; and
  - 28 (C) supplemental to Tier I instruction.

- 29 (4) The intervention:
  - 30 (A) is aligned with evidence based instructional strategies  
 31 to promote conceptual understanding, procedural fluency,  
 32 and real world problem solving; and
  - 33 (B) allows a student opportunities to interact, show  
 34 progress, and demonstrate understanding through rigorous  
 35 grade level content.

- 36 (5) The intervention includes continual assessment and in depth  
 37 analysis of each student's data to inform the flexible movement  
 38 in and out of Tiers II and III.

39 **(c) Not later than fifteen (15) days after a school makes a  
 40 determination under subsection (a) that a student is at risk, the  
 41 school shall provide notice to a parent of the student regarding the  
 42 determination. The notification may contain the following:**

- 43 **(1) Specific information about how the student is performing.**
- 44 **(2) Information about the intervention the student will  
 45 receive from the school.**
- 46 **(3) A list or description of any recommended resources  
 47 available for use at home to support the student's academic  
 48 growth in mathematics.**

49 ~~(e)~~ (d) The department shall provide guidance on the multitiered

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1 system that a school is required to provide under subsection (b).  
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