



Reprinted
April 14, 2023

ENGROSSED

SENATE BILL No. 391

DIGEST OF SB 391 (Updated April 13, 2023 6:01 pm - DI 143)

Citations Affected: IC 5-1.5; IC 20-20; IC 20-24; IC 20-26; IC 20-29; IC 20-40; IC 20-46; IC 20-49; IC 20-51.4.

Synopsis: Charter schools. Provides that, for a resolution to adopt a school operating referendum tax levy or school safety referendum tax levy adopted after May 10, 2023, a county auditor must distribute a portion of revenue received from the levy or school safety referendum tax levy to each charter school in which students who receive not more than 50% virtual instruction and who have legal settlement in the school corporation attend. Provides that if a charter school receives a
(Continued next page)

Effective: Upon passage; July 1, 2023.

Rogers, Raatz, Buchanan

(HOUSE SPONSORS — BEHNING, TESHKA, DAVIS)

January 19, 2023, read first time and referred to Committee on Education and Career Development.

February 23, 2023, amended, reported favorably — Do Pass.

February 27, 2023, read second time, amended, ordered engrossed.

February 28, 2023, engrossed. Read third time, passed. Yeas 35, nays 13.

HOUSE ACTION

March 6, 2023, read first time and referred to Committee on Education.

March 30, 2023, amended, reported — Do Pass. Referred to Committee on Ways and Means pursuant to Rule 127.

April 11, 2023, amended, reported — Do Pass.

April 13, 2023, read second time, amended, ordered engrossed.

ES 391—LS 7109/DI 51



Digest Continued

distribution from a school corporation from a school operating referendum tax levy or a school safety referendum tax levy, the charter school must post certain information on the charter school's website. Provides that a charter school that may receive money from a school operating referendum tax levy or a school safety referendum tax levy may not promote a position on a referendum, in the same manner as a school corporation is prohibited from promoting a position on a referendum. Provides that the maximum length of a charter is 15 years. (Current law provides that the maximum length of a charter is seven years.) Provides all charter schools access to loans through the Indiana bond bank. Provides that the state board of education may advance money to charter schools to be used for: (1) school building construction programs; and (2) educational technology programs. Amends the definition of "school building construction program" to: (1) include the purchase, lease, or financing of land, the construction and equipping of school buildings, and the remodeling, repairing, or improving of school buildings by a charter school; and (2) replace "adjusted assessed valuation" with "assessed valuation" with regard to school corporation eligibility for an advance from the common school fund. Provides that a charter school may not receive an advance from the common school fund for an educational technology program unless the charter school develops a three year technology plan. Provides that a school corporation may not (instead of is not entitled to) receive or use certain money or advances unless the school corporation develops a three year technology plan. Makes conforming changes regarding advances to charter schools from the common school fund. Establishes standards concerning when a school corporation may close an underutilized school building that had been used at any time for classroom instruction. Provides procedures regarding petitioning for a determination as to whether a school building meets criteria for closure or should be made available for sale or lease. Requires the department of education (department) to make a determination regarding a petition. Requires each school corporation to annually report to the department certain information regarding school buildings. Provides procedures for notifying charter schools or state educational institutions through the department of the availability of a covered school building. Provides for appeals of certain orders or decisions to the state board of education. Provides that the: (1) department; or (2) selected charter school or state educational institution; may request the attorney general to commence a legal action to enforce a final order for the sale or lease of a covered school building or file a civil action to enforce the final order for the sale or lease after certain time periods. Repeals certain provisions regarding investigating complaints and enforcement by the attorney general. Establishes the charter school facility grant program. Makes conforming amendments. Makes a technical correction.



Reprinted
April 14, 2023

First Regular Session of the 123rd General Assembly (2023)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2022 Regular Session of the General Assembly.

ENGROSSED SENATE BILL No. 391

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 5-1.5-1-8, AS AMENDED BY P.L.81-2020,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2023]: Sec. 8. "Qualified entity" means:
4 (1) a political subdivision (as defined in IC 36-1-2-13);
5 (2) a state educational institution;
6 (3) a leasing body (as defined in IC 5-1-1-1(a));
7 (4) a not-for-profit utility (as defined in IC 8-1-2-125);
8 (5) any rural electric membership corporation organized under
9 IC 8-1-13;
10 (6) any corporation that was organized in 1963 under Acts 1935,
11 c. 157 and that engages in the generation and transmission of
12 electric energy;
13 (7) any communications cooperative corporation formed under
14 IC 8-1-17;
15 (8) any commission, authority, or authorized body of any qualified
16 entity;
17 (9) any organization, association, or trust with members,

ES 391—LS 7109/DI 51



1 participants, or beneficiaries that are all individually qualified
2 entities;

3 (10) any commission, authority, or instrumentality of the state;

4 (11) any other participant (as defined in IC 5-1.2-2-54);

5 (12) a charter school established under IC 20-5.5 (before its
6 repeal) or IC 20-24; ~~that is not a qualified entity under~~
7 ~~IC 5-1.4-1-10;~~

8 (13) a volunteer fire department (as defined in IC 36-8-12-2); or

9 (14) a development authority (as defined in IC 36-7.6-1-8).

10 SECTION 2. IC 20-20-13-7, AS AMENDED BY P.L.244-2017,
11 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
12 JULY 1, 2023]: Sec. 7. (a) Notwithstanding any other law, a:

13 **(1) school corporation is not entitled to: may not:**

14 ~~(1) (A)~~ receive any money under this chapter;

15 ~~(2) (B)~~ use money from the school corporation's education
16 fund for educational technology equipment under IC 20-40-2;

17 or

18 ~~(3) (C)~~ receive an advance from the common school fund for
19 an educational technology program under IC 20-49-4; **and**

20 **(2) charter school may not receive:**

21 **(A) a technology plan grant under sections 13 through 24**
22 **of this chapter; or**

23 **(B) an advance from the common school fund for an**
24 **educational technology program under IC 20-49-4;**

25 unless the school corporation **or charter school** develops a three (3)
26 year technology plan.

27 (b) Each technology plan must include at least the following
28 information:

29 (1) A description of the school corporation's **or charter school's**
30 intent to integrate technology into the school corporation's **or**
31 **charter school's** curriculum.

32 (2) A plan for providing inservice training.

33 (3) A schedule for maintaining and replacing educational
34 technology equipment.

35 (4) A description of the criteria used to select the appropriate
36 educational technology equipment for the appropriate use.

37 (5) Other information requested by the department after
38 consulting with the budget agency.

39 (c) The department shall develop guidelines concerning the
40 development of technology plans. The guidelines developed under this
41 subsection are subject to the approval of the governor.

42 SECTION 3. IC 20-24-4-1, AS AMENDED BY P.L.211-2021,



1 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JULY 1, 2023]: Sec. 1. (a) A charter must meet the following
3 requirements:

- 4 (1) Be a written instrument.
5 (2) Be executed by an authorizer and an organizer.
6 (3) Confer certain rights, franchises, privileges, and obligations
7 on a charter school.
8 (4) Confirm the status of a charter school as a public school.
9 (5) Subject to subdivision (6)(E), be granted for:
10 (A) not less than three (3) years or more than ~~seven (7)~~ **fifteen**
11 **(15)** years; and
12 (B) a fixed number of years agreed to by the authorizer and the
13 organizer.
14 (6) Provide for the following:
15 (A) A review by the authorizer of the charter school's
16 performance, including the progress of the charter school in
17 achieving the academic goals set forth in the charter, at least
18 one (1) time in each five (5) year period while the charter is in
19 effect.
20 (B) Renewal, if the authorizer and the organizer agree to renew
21 the charter.
22 (C) The renewal application must include guidance from the
23 authorizer, and the guidance must include the performance
24 criteria that will guide the authorizer's renewal decisions.
25 (D) The renewal application process must, at a minimum,
26 provide an opportunity for the charter school to:
27 (i) present additional evidence, beyond the data contained in
28 the performance report, supporting its case for charter
29 renewal;
30 (ii) describe improvements undertaken or planned for the
31 charter school; and
32 (iii) detail the charter school's plans for the next charter
33 term.
34 (E) Not later than the end of the calendar year in which the
35 charter school seeks renewal of a charter, the governing board
36 of a charter school seeking renewal shall submit a renewal
37 application to the charter authorizer under the renewal
38 application guidance issued by the authorizer. The authorizer
39 shall make a final ruling on the renewal application not later
40 than April 1 after the filing of the renewal application. A
41 renewal granted under this clause is not subject to the three (3)
42 year minimum described in subdivision (5). The April 1



- 1 deadline does not apply to any review or appeal of a final
 2 ruling. After the final ruling is issued, the charter school may
 3 obtain further review by the authorizer of the authorizer's final
 4 ruling in accordance with the terms of the charter school's
 5 charter and the protocols of the authorizer.
- 6 (7) Specify the grounds for the authorizer to:
 7 (A) revoke the charter before the end of the term for which the
 8 charter is granted; or
 9 (B) not renew a charter.
- 10 (8) Set forth the methods by which the charter school will be held
 11 accountable for achieving the educational mission and goals of
 12 the charter school, including the following:
 13 (A) Evidence of improvement in:
 14 (i) assessment measures, including the statewide assessment
 15 program measures;
 16 (ii) attendance rates;
 17 (iii) graduation rates (if appropriate);
 18 (iv) increased numbers of Indiana diplomas with a Core 40
 19 designation and other college and career ready indicators
 20 including advanced placement participation and passage,
 21 dual credit participation and passage, and International
 22 Baccalaureate participation and passage (if appropriate);
 23 (v) increased numbers of Indiana diplomas with Core 40
 24 with academic honors and technical honors designations (if
 25 appropriate);
 26 (vi) student academic growth;
 27 (vii) financial performance and stability; and
 28 (viii) governing board performance and stewardship,
 29 including compliance with applicable laws, rules and
 30 regulations, and charter terms.
 31 (B) Evidence of progress toward reaching the educational
 32 goals set by the organizer.
- 33 (9) Describe the method to be used to monitor the charter
 34 school's:
 35 (A) compliance with applicable law; and
 36 (B) performance in meeting targeted educational performance.
- 37 (10) Specify that the authorizer and the organizer may amend the
 38 charter during the term of the charter by mutual consent and
 39 describe the process for amending the charter.
- 40 (11) Describe specific operating requirements, including all the
 41 matters set forth in the application for the charter.
- 42 (12) Specify a date when the charter school will:



- 1 (A) begin school operations; and
 2 (B) have students attending the charter school.
- 3 (13) Specify that records of a charter school relating to the
 4 school's operation and charter are subject to inspection and
 5 copying to the same extent that records of a public school are
 6 subject to inspection and copying under IC 5-14-3.
- 7 (14) Specify that records provided by the charter school to the
 8 department or authorizer that relate to compliance by the
 9 organizer with the terms of the charter or applicable state or
 10 federal laws are subject to inspection and copying in accordance
 11 with IC 5-14-3.
- 12 (15) Specify that the charter school is subject to the requirements
 13 of IC 5-14-1.5.
- 14 (16) This subdivision applies to a charter established or renewed
 15 for an adult high school after June 30, 2014. The charter must
 16 require:
- 17 (A) that the school will offer flexible scheduling;
 18 (B) that students will not complete the majority of instruction
 19 of the school's curriculum online or through remote
 20 instruction;
 21 (C) that the school will offer dual credit or industry
 22 certification course work that aligns with career pathways as
 23 recommended by the Indiana career council established by
 24 IC 22-4.5-9-3 (expired); and
 25 (D) a plan:
 26 (i) to support successful program completion and to assist
 27 transition of graduates to the workforce or to a
 28 postsecondary education upon receiving a diploma from the
 29 adult high school; and
 30 (ii) to review individual student accomplishments and
 31 success after a student receives a diploma from the adult
 32 high school.
- 33 (b) A charter school shall set annual performance targets in
 34 conjunction with the charter school's authorizer. The annual
 35 performance targets shall be designed to help each school meet
 36 applicable federal, state, and authorizer expectations.
- 37 SECTION 4. IC 20-24-7-6, AS AMENDED BY P.L.154-2020,
 38 SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 UPON PASSAGE]: Sec. 6. (a) With the approval of a majority of the
 40 members of the governing body, a school corporation may distribute a
 41 proportionate share of the school corporation's operations fund to a
 42 charter school. A charter school may elect to distribute a proportionate



1 share of the charter school's operations fund to the school corporation
2 in whose district the charter school is located.

3 (b) **Except as provided in IC 20-46-1-21 and IC 20-46-9-22**, a
4 governing body may distribute money that is received as part of a tax
5 levy collected under IC 20-46-1 from the school corporation's
6 education fund to a charter school, excluding a virtual charter school,
7 in the manner provided by ~~IC 20-46-1-8(d)~~. **IC 20-46-1-8(e)**.

8 (c) **Except as provided in IC 20-46-1-21 and IC 20-46-9-22**, a
9 governing body may distribute money from the school safety
10 referendum tax levy fund to a charter school, excluding a virtual
11 charter school, in the manner prescribed by IC 20-46-9-6(b).

12 SECTION 5. IC 20-24-7-6.2 IS ADDED TO THE INDIANA CODE
13 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
14 UPON PASSAGE]: **Sec. 6.2. (a) This section applies to a levy
15 resulting from a resolution to place a referendum on the ballot
16 adopted by the governing body under IC 20-46-1-8, IC 20-46-1-8.5,
17 IC 20-46-9-6, or IC 20-46-9-7 after May 10, 2023, for counties
18 described in IC 20-46-1-21(a) and IC 20-46-9-22(a).**

19 (b) **The county auditor in the county in which the applicable
20 school corporation is located shall distribute money that is received
21 as part of a tax levy collected under IC 20-46-1 to an applicable
22 charter school, excluding a virtual charter school, in the manner
23 provided by IC 20-46-1-21.**

24 (c) **The county auditor in the county in which the applicable
25 school corporation is located shall distribute money that is received
26 as part of a tax levy collected under IC 20-46-9 to an applicable
27 charter school, excluding a virtual charter school, in the manner
28 prescribed by IC 20-46-9-22.**

29 (d) **A charter school that may receive money from a school
30 corporation's tax levy collected under IC 20-46-1 or a school safety
31 referendum tax levy under IC 20-46-9 may not promote a position
32 on a referendum in the same manner as a school corporation is
33 prohibited from promoting a position on a referendum under
34 IC 20-46-1-20.**

35 (e) **If a charter school receives a distribution from a school
36 corporation from the school corporation's tax levy collected under
37 IC 20-46-1 or a school safety referendum tax levy under
38 IC 20-46-9, the charter school must post the following on the
39 charter school's website:**

40 (1) **The specific purposes for which the revenue received from
41 the tax levy will be used.**

42 (2) **An estimate of the annual dollar amounts that will be**



1 **expended for each purpose described in subdivision (1).**
 2 SECTION 6. IC 20-24-14 IS ADDED TO THE INDIANA CODE
 3 AS A **NEW CHAPTER** TO READ AS FOLLOWS [EFFECTIVE
 4 JULY 1, 2023]:

5 **Chapter 14. Charter School Facility Grant Program**

6 **Sec. 1. This chapter does not apply to a virtual charter school or**
 7 **an adult high school.**

8 **Sec. 2. As used in this chapter, "grant" refers to a grant**
 9 **awarded to a charter school under this chapter.**

10 **Sec. 3. As used in this chapter, "program" refers to the charter**
 11 **school facility grant program established by section 4 of this**
 12 **chapter.**

13 **Sec. 4. (a) The charter school facility grant program is**
 14 **established to provide grants to charter schools that may be used**
 15 **for the following:**

16 (1) **The purposes listed in IC 20-40-9-6 for which a school**
 17 **corporation may use money in the school corporation's**
 18 **operations fund.**

19 (2) **The purposes listed in IC 20-40-18-7 for which a school**
 20 **corporation may use money in the school corporation's debt**
 21 **service fund.**

22 **(b) The state board shall administer the program.**

23 **Sec. 5. (a) The state board may award grants under this chapter,**
 24 **subject to appropriations by the general assembly for this purpose,**
 25 **to a charter school that:**

26 (1) **applies on a form and in a manner established by the state**
 27 **board;**

28 (2) **submits with the application a budget plan to the state**
 29 **board detailing the expenses for which money from a grant**
 30 **awarded under this chapter would be used;**

31 (3) **submits with the application a facilities master plan and**
 32 **the associated facilities budget plan; and**

33 (4) **submits any other information prescribed by the state**
 34 **board.**

35 **(b) The amount of a grant awarded under this chapter to a**
 36 **charter school may not exceed the amount equal to:**

37 (1) **the applicable charter school's current ADM, not**
 38 **including students for whom, of the instructional services that**
 39 **the students receive from the charter school, more than fifty**
 40 **percent (50%) is virtual instruction; multiplied by**

41 (2) **five hundred dollars (\$500).**

42 **(c) If the total amount to be distributed as grants from the**



1 program in a state fiscal year exceeds the amount available for
 2 distribution, the amount to be distributed to each charter school
 3 eligible to receive a grant under subsection (a) shall be
 4 proportionately reduced so that the total reductions equal the
 5 amount of the excess.

6 **Sec. 6. Money appropriated by the general assembly to the**
 7 **program may not be considered as a stream of revenue against**
 8 **which any bond, lease, or other obligation may be pledged.**

9 SECTION 7. IC 20-26-7-5, AS AMENDED BY P.L.233-2015,
 10 SECTION 108, IS AMENDED TO READ AS FOLLOWS
 11 [EFFECTIVE JULY 1, 2023]: Sec. 5. **Except as otherwise provided**
 12 **in IC 20-26-7.1**, a school corporation (as defined in IC 36-1-2-17) may
 13 convey property owned by the school corporation to a civil city or other
 14 political subdivision for civic purposes if:

- 15 (1) the governing body adopts a resolution recommending the
- 16 transfer and conveyance of the school property;
- 17 (2) the civil city or political subdivision agrees to accept the
- 18 school property; and
- 19 (3) the governing body executes a deed for the school property.

20 SECTION 8. IC 20-26-7-39, AS ADDED BY P.L.1-2005,
 21 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 JULY 1, 2023]: Sec. 39. (a) **Except as otherwise provided in**
 23 **IC 20-26-7.1**, if:

- 24 (1) a school corporation; and
- 25 (2) the state, either in the name of the state or in the name of the
- 26 trustees of an agency of the state;

27 each own improved or unimproved real estate that lies within the
 28 boundaries of the school corporation and that is not needed or required
 29 for the purpose for which it was acquired, the school corporation and
 30 the state may sell, trade, exchange, or convey to or with each other the
 31 unneeded real estate upon such terms and conditions mutually agreed
 32 upon and incorporated in an agreement between the trustees or board
 33 of trustees of the school corporation and the state or, if the real estate
 34 is held in the name of the trustees of an agency of the state, by the
 35 trustees.

36 (b) A value must be assigned to each parcel of real estate involved
 37 in the sale, trade, or exchange in the agreement. The assigned value
 38 must be the fair market value of the real estate as determined by three
 39 (3) appraisers appointed as follows:

- 40 (1) One (1) to be appointed by the board of trustees of the school
- 41 corporation.
- 42 (2) One (1) to be appointed by the state or, if the real estate is held



- 1 in the name of the trustees of an agency of the state, by the
 2 trustees.
- 3 (3) One (1) to be appointed by the two (2).
- 4 (c) The agreement must provide for payment by the party owning
 5 the real estate of the smaller value to the other party of the difference
 6 of value of the properties.
- 7 SECTION 9. IC 20-26-7-47 IS ADDED TO THE INDIANA CODE
 8 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 9 1, 2023]: **Sec. 47. (a) The following definitions apply throughout
 10 this section:**
- 11 (1) "Covered school building" has the meaning set forth in
 12 IC 20-26-7.1-2.1.
- 13 (2) "Current school year" refers to a year in which the
 14 governing body is required to conduct a review of school
 15 building usage under subsection (c).
- 16 (3) "Enrollment" refers to students counted in ADM (as
 17 defined in IC 20-43-1-6) in the first count date for a school
 18 year fixed under IC 20-43-4-3.
- 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
 23 the 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
 29 the 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
 33 closed for the ensuing school year and subsequent school years.**
- 34 **(d) A school corporation may 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
 37 classroom 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
 41 or other allowable uses specified by this section;
- 42 (3) as of the end of the school year before the school building



1 is required to be closed under this section, the school
 2 corporation was not subject to a transitional plan adopted by
 3 the governing body and approved by the department to use
 4 the school building for an allowable use not later than the next
 5 school year after the school building is otherwise required to
 6 be closed under this section;

7 (4) in the case of a school building that was used in any part
 8 in the current school year for instructional purposes, the
 9 school corporation has another school building:

10 (A) with sufficient capacity to take the students using the
 11 school building being considered for closure; and

12 (B) that does not require more than twenty (20) minutes of
 13 travel time from the school building being considered for
 14 closure; and

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

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

21 (1) The number of full-time equivalent students enrolled for
 22 in-person instruction in the school building on instructional
 23 days (as determined under IC 20-30-2) for instructional
 24 purposes, averaged over the current school year and the two
 25 (2) school years immediately preceding the current school
 26 year, is at least sixty percent (60%) of:

27 (A) the known classroom design capacity of the school
 28 building; or

29 (B) if the design capacity is not known, the average
 30 maximum full-time equivalent enrollment in any of the last
 31 twenty-five (25) years, as validated by records created or
 32 maintained by the department.

33 (2) The school corporation demonstrates through facts
 34 included in a resolution that the school building is being used
 35 and that it is financially prudent to continue to use the school
 36 building, considering all community resources, for a distinct
 37 student population that reasonably cannot be served through
 38 integration with the general school population, such as
 39 students attending an alternative education program (as
 40 defined in IC 20-30-8-1). However, to be an allowable use
 41 under this subdivision, the average number of full-time
 42 equivalent students using the school building in a school year



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for instructional purposes must be at least thirty percent (30%) of:

(A) the known classroom design capacity of the school building; or

(B) if the design capacity is not known, the average maximum full-time equivalent enrollment in any of the last twenty-five (25) years, as validated by records created or maintained by the department; and

(if multiple school buildings are used for the same purposes) combining the student populations into fewer school buildings is not reasonably feasible.

(3) 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 administrative or other 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



1 must consistently use the office space for office purposes,
 2 and the occupancy cost of using the office space, calculated
 3 using the costs of operating the school building, cannot be
 4 more than comparable office space that is available in the
 5 school district; and

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

10 (f) Closure of a school building that is:

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

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

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

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

23 (h) If an agreement is not reached within forty-five (45) days
 24 after the date that the school corporation receives the notice under
 25 subsection (g), the charter school or state educational institution
 26 may petition the department to initiate or the department on its
 27 own may initiate a proceeding for a determination as to whether a
 28 school building meets the criteria for closure under this section or
 29 a covered school building that is no longer used for classroom
 30 instruction by a school corporation should be made available under
 31 IC 20-26-7.1. If a charter school or state educational institution
 32 petitions the department under this subsection, the charter school
 33 or state educational institution must provide a copy of the petition
 34 to the applicable school corporation.

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

42 (j) Not more than sixty (60) days after receiving notice of a



1 petition under subsection (h), the school corporation must:

2 (1) file a response to the petition that notifies the department
3 that the school corporation:

4 (A) is not contesting the petition; or

5 (B) is contesting the petition and states the facts upon
6 which the school corporation relies in contesting the
7 petition; and

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

10 (k) If the school corporation:

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

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

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

16 (l) If a school corporation contests a petition under subsection
17 (j), a party to the proceeding has not more than sixty (60) days
18 after the date that the school corporation files a response under
19 subsection (j) to submit a reply to the school corporation's
20 response.

21 (m) The department shall make a determination regarding a
22 petition under subsection (h) not more than one hundred twenty
23 (120) days after the date that the:

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

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

27 (n) A school corporation or another party to the proceeding may
28 file with the state board a petition requesting review of the
29 department's determination. Upon receipt of a petition under this
30 subsection, the state board shall review the department's
31 determination. An appeal to the state board shall be subject to the
32 procedure described in IC 20-26-11-15(b).

33 (o) Upon the issuance of a final unappealable order granting a
34 petition, the school corporation may make the school building
35 available for lease or purchase in accordance with IC 20-26-7.1.

36 SECTION 10. IC 20-26-7-48 IS ADDED TO THE INDIANA
37 CODE AS A NEW SECTION TO READ AS FOLLOWS
38 [EFFECTIVE JULY 1, 2023]: Sec. 48. (a) The following definitions
39 apply throughout this section:

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



- 1 (2) "Enrollment" refers to students counted in ADM (as
2 defined in IC 20-43-1-6) in the first count date for a school
3 year fixed under IC 20-43-4-3.
- 4 **(b) This section applies to a school corporation only if:**
- 5 (1) the total student enrollment for in-person instruction in
6 the school corporation in the current school year is at least ten
7 percent (10%) less than the student enrollment for in-person
8 instruction in the school corporation in a school year that
9 precedes the current school year by five (5); and
- 10 (2) the school corporation in the current school year has more
11 than one (1) school building serving the same grade level as a
12 school building subject to closure under section 47 of this
13 chapter.
- 14 **(c) Each school corporation shall annually report to the**
15 **department, in the form and on the schedule specified by the**
16 **department, the following information:**
- 17 (1) A listing of all buildings owned or leased by the school
18 corporation that were originally designed as a school building.
- 19 (2) The following information for each building listed in
20 subdivision (1):
- 21 (A) Designed occupancy, regardless of current use.
- 22 (B) Current use (and percentage of use) for classroom
23 instruction, as special use classrooms, as office space, or as
24 storage or alternatively the building's status as
25 transitioning from one (1) use or combination of uses to
26 another.
- 27 (C) The following information:
- 28 (i) Current average full-time equivalent student
29 enrollment for in-person instruction in the school
30 building on instructional days (as determined under
31 IC 20-30-2) in a school year.
- 32 (ii) Percentage of instructional use.
- 33 (iii) Percentage of use for other purposes.
- 34 (D) Self-evaluation of whether the building qualifies for
35 closure under section 47 of this chapter or the school board
36 otherwise intends to close the building and the date closure
37 will occur (if applicable).
- 38 SECTION 11. IC 20-26-7.1-1, AS ADDED BY P.L.270-2019,
39 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
40 JULY 1, 2023]: Sec. 1. This chapter does not apply to **a the following:**
- 41 (1) A school building that on July 1, 2011, is leased or loaned by
42 the school corporation that owns the school building to another



1 entity, if the entity is not a building corporation or other entity that
 2 is related in any way to, or created by, the school corporation or
 3 the governing body.

4 **(2) A school corporation that distributes money that is**
 5 **received as part of a tax levy collected under IC 20-46-1 or**
 6 **IC 20-46-9 to an applicable charter school.**

7 SECTION 12. IC 20-26-7.1-2.1 IS ADDED TO THE INDIANA
 8 CODE AS A NEW SECTION TO READ AS FOLLOWS
 9 [EFFECTIVE JULY 1, 2023]: **Sec. 2.1. As used in this chapter,**
 10 **"covered school building" means a school building that is owned**
 11 **by a school corporation or any other entity that is related in any**
 12 **way to, or created by, the school corporation or the governing**
 13 **body, including a building corporation, and that has at any time**
 14 **been used for classroom instruction.**

15 SECTION 13. IC 20-26-7.1-2.2 IS ADDED TO THE INDIANA
 16 CODE AS A NEW SECTION TO READ AS FOLLOWS
 17 [EFFECTIVE JULY 1, 2023]: **Sec. 2.2. As used in this chapter,**
 18 **"interested person" refers to the following:**

19 **(1) Each state educational institution.**

20 **(2) Each charter school in a county where a school**
 21 **corporation with a covered school building subject to closure**
 22 **is located.**

23 **(3) All charter school authorizers (excluding school**
 24 **corporation authorizers as defined in IC 20-24-1-2.5(1)).**

25 **(4) Each trade or professional organization representing**
 26 **charter schools listed as an organization representing charter**
 27 **schools on the website of the department or otherwise known**
 28 **to a school corporation with a covered school building subject**
 29 **to closure.**

30 **(5) The Indiana charter school board.**

31 **(6) Each charter school that is not described in subdivision (2)**
 32 **that has provided a written notice of interest in a covered**
 33 **school building to the department.**

34 SECTION 14. IC 20-26-7.1-2.8 IS ADDED TO THE INDIANA
 35 CODE AS A NEW SECTION TO READ AS FOLLOWS
 36 [EFFECTIVE JULY 1, 2023]: **Sec. 2.8. When a notice is given to an**
 37 **authorizer under this chapter or IC 20-26-7-47, the authorizer is**
 38 **responsible for notifying all charter schools authorized by or**
 39 **applying for authorization by the authorizer. The authorizer must**
 40 **provide the notice to charter schools not more than ten (10) days**
 41 **after the authorizer received the notice.**

42 SECTION 15. IC 20-26-7.1-3, AS AMENDED BY P.L.155-2021,



1 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 2 JULY 1, 2023]: Sec. 3. (a) ~~This subsection applies to any school~~
 3 ~~building that is owned by a school corporation or any other entity that~~
 4 ~~is related in any way to, or created by, the school corporation or the~~
 5 ~~governing body, including but not limited to a building corporation,~~
 6 ~~and that has at any time been used for classroom instruction. Except as~~
 7 ~~provided in section 1 of this chapter or subsection (b)(1), (b), (c), or~~
 8 ~~(d), before a governing body may sell, exchange, lease, demolish, hold~~
 9 ~~without operating, or dispose of a covered school building, a governing~~
 10 ~~body shall do the following:~~

11 ~~(1) This subdivision applies after June 30, 2021. The governing~~
 12 ~~body shall obtain a certification from the attorney general's office~~
 13 ~~under section 8.5 of this chapter.~~

14 ~~(2) The governing body shall make available for lease or purchase~~
 15 ~~by a charter school or after June 30, 2021, a state educational~~
 16 ~~institution any covered school building owned by the school~~
 17 ~~corporation or any other entity that is related in any way to, or~~
 18 ~~created by, the school corporation or the governing body,~~
 19 ~~including but not limited to a building corporation, that~~

20 ~~(A) is vacant or unused; and~~

21 ~~(B) was previously used for classroom instruction;~~

22 **the governing body elects to close or the school corporation is**
 23 **required to close under IC 20-26-7-47, in order for the covered**
 24 **school building to be used by a:**

25 **(1) charter school to conduct kindergarten prekindergarten**
 26 **through grade 12 classroom instruction; or to be used by a**

27 **(2) state educational institution for an academic purpose.**

28 (b) The following are not required to comply with this chapter:

29 (1) A governing body that vacates a **covered** school building in
 30 order to:

31 (A) renovate the **covered** school building for a future
 32 **allowable** use by the school corporation **as permitted under**
 33 **IC 20-26-7-47; or**

34 (B) demolish the **covered** school building and build a new
 35 school building on the same site as the demolished building.

36 (2) An emergency manager of a distressed school corporation
 37 under IC 6-1.1-20.3.

38 (3) The governing body of the School City of East Chicago school
 39 corporation for the Carrie Gosch Elementary School building.

40 (c) ~~Notwithstanding subsection (a), a lease entered into by This~~
 41 **section does not apply to a covered school building in which a**
 42 **governing body under IC 20-26-5-4(a)(7) entered a lease prior to**



1 January 1, 2019, with a state accredited nonpublic school. ~~shall remain~~
 2 ~~in full force and effect.~~ In addition, the governing body may, during or
 3 at the expiration of the term of such lease, sell the school building
 4 leased under IC 20-26-5-4(a)(7) to the nonpublic school at a purchase
 5 price mutually agreed to by the governing body and the nonpublic
 6 school.

7 **(d) This section does not apply to a covered school building of a**
 8 **school corporation to which the following apply:**

9 **(1) The school corporation had, before January 1, 2023,**
 10 **entered into a lease or memorandum of understanding with**
 11 **a nonprofit organization exempt from federal taxation under**
 12 **Section 501(c)(3) through 501(c)(7) of the Internal Revenue**
 13 **Code for the use of the covered school building.**

14 **(2) The lease or memorandum of understanding described in**
 15 **subdivision (1):**

16 **(A) continues in effect;**

17 **(B) is renewed; or**

18 **(C) is replaced by a new lease or memorandum of**
 19 **understanding that is entered into between the school**
 20 **corporation and the nonprofit organization described in**
 21 **subdivision (1).**

22 **(3) The nonprofit organization described in subdivision (1)**
 23 **uses the covered school building for an educational purpose**
 24 **throughout the term of any lease or memorandum of**
 25 **understanding.**

26 **If at any time the conditions under subdivisions (2) and (3) are not**
 27 **met, the covered school building is subject to IC 20-26-7-47 and**
 28 **this chapter.**

29 **(e) A covered school building that a school corporation closes or**
 30 **is required to close may not be retained by the school corporation**
 31 **for storage or office use unless the conditions of**
 32 **IC 20-26-7-47(e)(3), IC 20-26-7-47(e)(4), or IC 20-26-7-47(e)(5) are**
 33 **met.**

34 SECTION 16. IC 20-26-7.1-4, AS AMENDED BY P.L.155-2021,
 35 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 36 JULY 1, 2023]: Sec. 4. (a) A school corporation may notify the
 37 department any time after the governing body elects to close a
 38 covered school building. The school corporation shall notify the
 39 department in the annual report required under IC 20-26-7-48 that
 40 the school corporation elects to or is required under IC 20-26-7-47
 41 to close a covered school building. The notice must be in the annual
 42 report submitted under IC 20-26-7-48 after the school elects to or



1 **is required to close the covered school building. The department**
 2 **shall notify interested persons concerning the availability of a**
 3 **covered school building under subsection (d).**

4 **(b) Not later than ten (10) fifteen (15) days after: passing a**
 5 **resolution or taking other official action to close; no longer use; or no**
 6 **longer occupy a school building that was previously used for classroom**
 7 **instruction under section 3 of this chapter;**

8 **(1) the department receives the earliest notice under**
 9 **subsection (a); or**

10 **(2) if the department determines that a covered school**
 11 **building qualifies for closure under IC 20-26-7-47, the date a**
 12 **final order to close a covered school building is issued under**
 13 **IC 20-26-7-47;**

14 **the governing body shall take the actions specified by this subsection**
 15 **and subsection (c). The department may order a school**
 16 **corporation to comply with this subsection and subsection (c) and**
 17 **request that the attorney general enforce the order under section**
 18 **9(a) of this chapter.**

19 **(1) notify the department of the official action and the effective**
 20 **date that the school building will be closed; no longer used; or no**
 21 **longer occupied;**

22 **(c) The governing body shall do the following:**

23 **(2) (1) Make the covered school building available for inspection**
 24 **by a charter school or state educational institution that notifies the**
 25 **department that it is interested in leasing or purchasing the**
 26 **covered school building, described under section 3 of this**
 27 **chapter; and**

28 **(2) (2) Make the following information available to a charter**
 29 **school or state educational institution described in subdivision**
 30 **(2): (1):**

31 **(A) Estimates of the operating expenses for the covered**
 32 **school building for the past three (3) years.**

33 **(B) Written information regarding the condition of the**
 34 **covered school building, including the age of the roof and the**
 35 **HVAC system, and any known conditions which, in the**
 36 **governing body's opinion, require prompt repair or**
 37 **replacement.**

38 **(C) A legal description of the property.**

39 **(b) (d) Within Not later than five (5) fifteen (15) days of after the**
 40 **earlier of:**

41 **(1) receiving the earliest notice under subsection (a)(1);**
 42 **subsection (a); or**



1 **(2) if the department determines that a covered school**
 2 **building qualifies for closure under IC 20-26-7-47, the date a**
 3 **final unappealable order to close a covered school building is**
 4 **issued under IC 20-26-7-47;**

5 the department shall **place a notice on the department's website that**
 6 **the covered school building is available for purchase or lease under**
 7 **this chapter and** provide written notification to each state educational
 8 institution, charter school authorizer (excluding school corporation
 9 authorizers as defined in IC 20-24-1-2.5(1)), and statewide
 10 organizations representing charter schools in Indiana of the school
 11 corporation's resolution or official action described in subsection (a);
 12 **interested person**, including the date when the **covered** school
 13 building will close, no longer be used, or become vacant.

14 ~~(c)~~ **(e)** The school corporation shall lease the **covered** school
 15 building to a charter school or state educational institution for one
 16 dollar (\$1) per year for as long as the state educational institution uses
 17 the **covered school** building for an academic purpose or the charter
 18 school uses the **covered** school building for classroom instruction, for
 19 a term at the state educational institution's or charter school's
 20 discretion, or sell the **covered** school building for one dollar (\$1), if the
 21 charter school or state educational institution does the following:

22 (1) Within ~~thirty (30)~~ **ninety (90)** days of receiving the
 23 department's notice under subsection ~~(b); (d)~~, a charter school or
 24 state educational institution must submit a preliminary request to
 25 purchase or lease the **covered** school building.

26 (2) Subject to subsection ~~(d); (f)~~, within ninety (90) days of
 27 receiving the department's notice under subsection ~~(b); (d)~~, a
 28 charter school or state educational institution must submit to the
 29 school corporation the following information:

30 (A) The name of the charter school or state educational
 31 institution that is interested in leasing or purchasing the ~~vacant~~
 32 **or unused covered** school building.

33 (B) A time frame, which may not exceed two (2) years from
 34 the date that the **covered** school building is to be closed, no
 35 longer used, or no longer occupied, in which the:

36 (i) charter school intends to begin providing classroom
 37 instruction in the ~~vacant or unused covered~~ school building;
 38 or

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

41 (C) A resolution, adopted by the board of the charter school or
 42 state educational institution stating that the board of the



1 charter school or ~~the~~ state educational institution has
 2 determined that, after the charter school or state educational
 3 institution has made any necessary repairs or modifications,
 4 the **covered** school building will be sufficient to meet the
 5 charter school's or state educational institution's needs and can
 6 be operated within the charter school's or state educational
 7 institution's budget.

8 ~~(D)~~ This clause applies to a vacant or unused school building
 9 with more than two hundred thousand (200,000) gross square
 10 feet. In addition to the information provided in clauses (A)
 11 through (C), a charter school shall submit the following:

12 (i) The charter school's projected enrollment when all of the
 13 grade levels are added.

14 (ii) A letter from the charter school's authorizer or
 15 prospective authorizer that indicates that the charter school's
 16 authorizer or prospective authorizer has reviewed the items
 17 described in clauses (B) through (C) and that the projected
 18 enrollment of the charter school when all of the grade levels
 19 are added or fully implemented will be at least sixty percent
 20 (60%) of the maximum annual student enrollment of the
 21 school building during the past twenty-five (25) years as
 22 validated by records maintained or created by the
 23 department.

24 ~~(d)~~ **(f)** If the department does not receive any preliminary requests
 25 to purchase or lease a **covered** school building within the time frame
 26 described in subsection ~~(c)(1)~~; and ~~except as provided in section 7 of~~
 27 ~~this chapter, (e)(1)~~, the department shall send notification to the school
 28 corporation that the department has not received any preliminary
 29 requests to purchase or lease the **covered** school building. Upon receipt
 30 of the notification under this subsection, the school corporation may
 31 sell or otherwise dispose of the **covered** school building in accordance
 32 with IC 36-1-11, IC 20-25-4-14, and IC 20-26-5-4(a)(7). and section
 33 8 of this chapter.

34 ~~(e)~~ **(g)** **If only one (1) charter school submits a preliminary**
 35 **request to purchase or lease the covered school building, the**
 36 **department shall notify the school corporation of the identity of the**
 37 **charter school and direct the school corporation to complete a sale**
 38 **or lease to the charter school in accordance with subsection (k).**
 39 ~~Except as provided in subsection (g);~~ In the event that two (2) or more
 40 charter schools ~~but no state educational institutions;~~ submit a
 41 preliminary request to purchase or lease a **covered** school building
 42 within the time frame described in subsection ~~(c)(1)~~; **(e)(1)**, the



1 department shall send notification to an authorizer described in
 2 IC 20-24-1-2.5(3) and each statewide charter school authorizer and
 3 statewide organization representing charter schools in Indiana
 4 (excluding school corporation authorizers as defined in
 5 IC 20-24-1-2.5(1)); **each interested person** and the school corporation
 6 that the department has received two (2) or more preliminary requests
 7 under this section. An authorizer committee shall be established, with
 8 each statewide authorizer that has authorized one (1) or more charter
 9 schools appointing a representative, and the committee shall establish
 10 the chairperson and procedures for the committee. Within sixty (60)
 11 days of receiving notice under this subsection, the committee shall
 12 select which charter school may proceed under subsection ~~(e)(2)~~ **(k)**
 13 to purchase or lease the **covered** school building or determine if two (2)
 14 or more charter schools should co-locate within the **covered** school
 15 building. The committee shall ~~give priority to a charter school located~~
 16 ~~within one (1) mile of the vacant or unused school building; base the~~
 17 **committee's decision on the following criteria:**

18 **(1) Preference shall be given to existing charter schools that**
 19 **have a proven track record of student academic performance.**

20 **(2) If two (2) or more charter schools of proven academic**
 21 **performance are competing and only one (1) charter school is**
 22 **operating in the county in which the covered school building**
 23 **is located, the charter school in the same county as the**
 24 **covered school building shall be given preference.**

25 In the event that the committee determines that two (2) or more charter
 26 schools should co-locate in the **covered** school building, ~~and, if~~
 27 ~~applicable, that the combined enrollment of the charter schools will~~
 28 ~~meet or exceed the requirements in subsection (c)(2)(D);~~ the charter
 29 schools have sixty (60) days to submit a memorandum of
 30 understanding stating that the charter schools shall be jointly and
 31 severally liable for the obligations related to the sale or lease of the
 32 **covered** school building, and specifying how the charter schools will
 33 utilize the **covered** school building and share responsibility for
 34 operational, maintenance, and renovation expenses. If the charter
 35 schools are unable to agree, the charter schools shall be deemed to have
 36 revoked their prior request regarding the lease or sale of the **covered**
 37 school building. **The committee shall give notice of the committee's**
 38 **decision to the school corporation and each interested person. A**
 39 **charter school that is not selected by the authorizer committee may**
 40 **appeal the decision to the state board not more than thirty (30)**
 41 **days after receipt of the authorizer committee's decision. The state**
 42 **board shall issue a final order in the appeal not more than sixty**



1 **(60) days after receipt of a properly filed appeal. Notice of the**
 2 **appeal and the final order in the appeal must be given to the school**
 3 **corporation.**

4 **(f) If two (2) or more state educational institutions but no charter**
 5 **schools submit timely preliminary requests under subsection (c)(1)**
 6 **regarding a school building, the secretary of education shall appoint**
 7 **three (3) representatives of other state educational institutions. The**
 8 **appointed representatives shall act as a committee to determine which**
 9 **of the state educational institutions that have submitted preliminary**
 10 **requests as described in this subsection is best able to meet the needs**
 11 **of the students in the locality in which the school building is located.**
 12 **Not later than sixty (60) days after the date that the secretary of**
 13 **education appoints the committee of representatives under this**
 14 **subsection, the committee of representatives shall:**

15 **(1) select which state educational institution may proceed to**
 16 **purchase or lease the building; or**

17 **(2) determine if two (2) or more state educational institutions**
 18 **should co-locate within the school building.**

19 **(g) If one (1) or more charter schools and one (1) or more state**
 20 **educational institutions submit timely preliminary requests under**
 21 **subsection (c)(1) regarding a school building, the charter school shall**
 22 **be provided preference to the school building. If more than one (1)**
 23 **charter school submits timely preliminary requests under subsection**
 24 **(c)(1) regarding a school building, the determination of which charter**
 25 **school may obtain the school building shall be resolved in the manner**
 26 **prescribed in subsection (e).**

27 **(h) If a charter school does not submit a preliminary request to**
 28 **purchase or lease the covered school building and only one (1) state**
 29 **educational institution submits a preliminary request to purchase**
 30 **or lease the covered school building, the department shall:**

31 **(1) notify the school corporation of the identity of the state**
 32 **educational institution; and**

33 **(2) direct the school corporation to complete a sale or lease to**
 34 **the state educational institution in accordance with subsection**
 35 **(k).**

36 **(i) If one (1) or more state educational institutions submit**
 37 **preliminary requests to purchase or lease a covered school**
 38 **building, a selection committee shall be established consisting of**
 39 **one (1) member appointed by the executive of the largest city or**
 40 **town in the county in which the covered school building is located,**
 41 **one (1) member appointed by the city or town council of the largest**
 42 **city or town in the county in which the covered school building is**



1 located, one (1) member appointed by the county commissioners of
 2 the county in which the covered school building is located, one (1)
 3 member appointed by the county council of the county in which the
 4 covered school building is located, and one (1) member appointed
 5 by the chamber of commerce of the county in which the covered
 6 school building is located.

7 (j) Not later than sixty (60) days after the date that a member is
 8 appointed under subsection (i), the committee shall:

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

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

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

20 ~~(h)~~ (k) A school corporation shall lease the covered school building
 21 for one dollar (\$1) per year to the charter school or the state
 22 educational institution for as long as the:

23 (1) charter school uses the covered school building for classroom
 24 instruction for any combination of kindergarten through grade 12;
 25 or a

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

28 The term of the lease shall be established at the charter school's or state
 29 educational institution's discretion and include an option for the state
 30 educational institution or charter school to purchase the covered school
 31 building for one dollar (\$1). Alternatively, the school corporation shall
 32 sell the covered school building to the charter school or the state
 33 educational institution for one dollar (\$1), if the charter school or the
 34 state educational institution has met the requirements set forth in
 35 subsection ~~(e)~~ (e) and uses the vacant or unused covered school
 36 building in the manner prescribed by this subsection. If the charter
 37 school or state educational institution selected to lease or purchase
 38 the covered school building has met the requirements under
 39 subsection (e), the school corporation has not more than ninety (90)
 40 days after the date notice of a final unappealable decision is
 41 received by the school corporation to complete the lease or sale of
 42 the covered school building to the charter school or state



1 **educational institution. If the transaction is not completed within**
 2 **ninety (90) days, the department or the selected charter school or**
 3 **state educational institution may, under section 9 of this chapter,**
 4 **request that the attorney general enforce the sale or lease or may**
 5 **file suit to enforce the sale or lease.** If a charter school or state
 6 educational institution has not met the requirements under subsection
 7 ~~(c); (e)~~, the school corporation may ~~subject to section 7 of this chapter;~~
 8 sell or otherwise dispose of the **covered** school building in accordance
 9 with IC 36-1-11, IC 20-25-4-14, **and IC 20-26-5-4(a)(7).** ~~and section~~
 10 ~~8 of this chapter.~~

11 SECTION 17. IC 20-26-7.1-4.5, AS ADDED BY P.L.155-2021,
 12 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 JULY 1, 2023]: Sec. 4.5. (a) After a governing body passes a resolution
 14 or takes official action to close, no longer use, or no longer occupy a
 15 **covered** school building that was previously used for classroom
 16 ~~instruction under section 3 of this chapter; or the covered school~~
 17 **building is required to be closed under IC 20-26-7-47**, a school
 18 corporation is responsible for meeting the requirements described in
 19 subsection (b) until the applicable **covered** school building is:

20 (1) sold or leased to a charter school or state educational
 21 institution;

22 ~~(2) sold to an accredited nonpublic school or postsecondary~~
 23 ~~educational institution other than a state educational institution~~
 24 ~~under section 7 of this chapter; or~~

25 ~~(3) (2) eligible to be sold or otherwise disposed in accordance~~
 26 ~~with IC 36-1-11, IC 20-25-4-14, and IC 20-26-5-4(a)(7).~~ ~~and~~
 27 ~~section 8 of this chapter.~~

28 (b) During the period described in subsection (a), a school
 29 corporation is:

30 (1) responsible for the maintenance of a ~~vacant or unused~~
 31 **covered** school building, including:

32 (A) protection against theft or vandalism;

33 (B) fire protection; and

34 (C) ensuring the vacant or unused school building is not
 35 damaged during adverse weather conditions;

36 (2) responsible for maintaining the physical condition of the
 37 ~~vacant or unused covered~~ school building in the same physical
 38 condition the applicable **covered** school building was on the last
 39 day that it was used for classroom instruction; and

40 (3) financially responsible for any damage or destruction that
 41 occurs to the ~~vacant or unused covered~~ school building.

42 SECTION 18. IC 20-26-7.1-5, AS AMENDED BY P.L.155-2021,



1 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JULY 1, 2023]: Sec. 5. (a) If: a school building is sold to a charter
3 school or state educational institution under section 3 or 4 of this
4 chapter and the charter school or the state educational institution, or
5 any subsequent owner, subsequently sells or transfers

6 (1) a covered school building is sold to a charter school or
7 state educational institution under section 4 of this chapter;
8 and

9 (2) the charter school or state educational institution
10 described in subdivision (1) no longer intends to use the
11 covered school building for the purposes described in section
12 4(e) of this chapter;

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

17 (b) If a school corporation described in subsection (a) declines
18 the offer to transfer a covered school building back to the school
19 corporation, the charter school or state educational institution may
20 sell or transfer the covered school building to a third party. ~~the~~ If a
21 charter school or state educational institution or subsequent owner,
22 sells or transfers a covered school building to a third party under
23 this subsection, the charter school or state educational institution
24 must transfer an amount equal to the gain in the property minus the
25 adjusted basis (including costs of improvements to the covered school
26 building) to the school corporation that initially sold the ~~vacant~~
27 covered school building to the charter school or the state educational
28 institution. Gain and adjusted basis shall be determined in the manner
29 prescribed by the Internal Revenue Code and the applicable Internal
30 Revenue Service regulations and guidelines.

31 ~~(b)~~ (c) A charter school or state educational institution that
32 purchases a covered school building assumes total control of the
33 covered school building and must maintain the covered school
34 building, including utilities, insurance, maintenance, and repairs. In the
35 event a:

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

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

40 within two (2) years after acquiring the covered school building, the
41 covered school building shall revert to the school corporation, which
42 may sell or otherwise dispose of the covered school building under



1 IC 36-1-11.

2 SECTION 19. IC 20-26-7.1-6, AS AMENDED BY P.L.155-2021,
 3 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 4 JULY 1, 2023]: Sec. 6. During the term of a lease under section 4 of
 5 this chapter, the charter school or ~~the~~ state educational institution is
 6 responsible for the direct expenses related to the **covered** school
 7 building leased, including utilities, insurance, maintenance, repairs,
 8 and remodeling. If the lease involves co-locating charter schools or a
 9 co-location with a state educational institution, the obligations under
 10 the lease of the **covered** school building shall be joint and several. The
 11 school corporation is responsible for any debt incurred for or liens that
 12 attached to the **covered** school building before the charter school **or**
 13 **state educational institution** leased the **covered** school building.

14 SECTION 20. IC 20-26-7.1-7 IS REPEALED [EFFECTIVE JULY
 15 1, 2023]. Sec. 7: (a) As used in this section, "accredited nonpublic
 16 school" means a nonpublic school that:

17 (1) has voluntarily become accredited under IC 20-31-4.1; or
 18 (2) is accredited by a national or regional accrediting agency that
 19 is recognized by the state board.

20 (b) This section applies to a school building with a gross square
 21 footage of two hundred thousand (200,000) square feet or less.

22 (c) If the school corporation receives notification from the
 23 department that the department has not received any preliminary
 24 requests to purchase or lease a vacant or unused school building under
 25 section 4(c)(1) of this chapter or a charter school or state educational
 26 institution has not met the requirements under section 4(c)(2) or 4(e)
 27 of this chapter, the school corporation must sell the school building to
 28 an accredited nonpublic school or a postsecondary educational
 29 institution other than a state educational institution that sends a letter
 30 of intent to the school corporation to purchase the vacant or unused
 31 school building for an amount not more than the minimum bid for the
 32 vacant or unused school building determined in accordance with
 33 IC 36-1-11; or an amount agreed to by both parties.

34 (d) The accredited nonpublic school or postsecondary educational
 35 institution, other than a state educational institution, must submit its
 36 letter of intent to purchase the school building within thirty (30) days
 37 of the date the school corporation passes a resolution or takes other
 38 official action to close, no longer use, or no longer occupy a school
 39 building that was previously used for classroom instruction. However,
 40 in the event that a charter school or state educational institution has
 41 submitted a preliminary request to purchase or lease a school building,
 42 the accredited nonpublic school or postsecondary educational



1 institution other than a state educational institution may send a letter of
 2 intent to purchase or lease the school building within ninety (90) days
 3 of the date that the school corporation passed a resolution or took
 4 official action to close, no longer use, or no longer occupy a school
 5 building:

6 (e) Within forty-five (45) days of notice of the minimum bid, the
 7 accredited nonpublic school or postsecondary educational institution
 8 other than a state educational institution must provide a binding offer
 9 to the school corporation to purchase the property in its current
 10 condition and provide a nonrefundable down payment equal to five
 11 percent (5%) of the minimum bid or an amount agreed to by both
 12 parties. In the event that two (2) or more binding offers are submitted
 13 to the school corporation under this subsection, the school corporation
 14 may select which offer to accept:

15 (f) If the sale of the property does not close within one hundred
 16 eighty (180) days of the school corporation's receipt of the binding
 17 offer, and the delay in closing is not caused by the school corporation
 18 or its representatives, the school corporation may refund the down
 19 payment and sell or otherwise dispose of the school building under
 20 IC 20-25-4-14, IC 20-26-5-4(a)(7), or IC 36-1-11:

21 SECTION 21. IC 20-26-7.1-8 IS REPEALED [EFFECTIVE JULY
 22 1, 2023]. Sec. 8. (a) This section applies to the sale of a vacant or
 23 unused school building with more than two hundred thousand
 24 (200,000) gross square feet under IC 36-1-11, as permitted by this
 25 chapter:

26 (b) In determining whether to accept a proposal to purchase and
 27 redevelop the school building and any adjacent property, the governing
 28 body must ensure that a charter school that is located within one (1)
 29 mile of the site to be redeveloped and has notified the governing body
 30 in writing of its interest in locating the charter school on the
 31 redeveloped site is provided with the opportunity to lease adequate
 32 facilities on the redeveloped site at fifty percent (50%) or less than the
 33 current market rate for the redeveloped property or a rate agreed upon
 34 by the parties:

35 (c) In the event that a charter school does not enter into a lease for
 36 the appropriate facilities as part of the initial development of the school
 37 building parcel, this section shall no longer be binding on the school
 38 corporation or the purchaser of the property, which shall not be
 39 required to make the space available for use by another charter school:

40 SECTION 22. IC 20-26-7.1-8.5 IS REPEALED [EFFECTIVE JULY
 41 1, 2023]. Sec. 8-5. (a) This section applies after June 30, 2021.

42 (b) Except as provided in section 3(b)(1) of this chapter, if a



1 governing body passes a resolution to sell, exchange, lease, demolish,
 2 hold without operation, or dispose of a school building, the governing
 3 body of the school corporation must receive a certification from the
 4 attorney general to ensure that the governing body is in compliance
 5 with the requirements of this chapter. The governing body of the school
 6 corporation shall submit an application, not later than fifteen (15) days
 7 after the governing body passes the resolution described in this
 8 subsection, to the attorney general in a manner prescribed by the
 9 attorney general. The attorney general shall approve or deny a
 10 certification within thirty (30) days of the date the request for
 11 certification is received by the attorney general. If the attorney general
 12 denies a certification under this section, the attorney general shall
 13 provide the specific reason why the request for certification was
 14 denied. If a governing body's request for certification is denied under
 15 this subsection, the governing body may reapply for certification upon
 16 remedying the reason for the attorney general's certification denial.

17 (c) A contract entered by a school corporation to sell, lease,
 18 demolish, or otherwise dispose of a school building without receiving
 19 a certification from attorney general under this section is null and void.

20 (d) The attorney general shall submit all certification findings to the
 21 department, which shall post the attorney general's certification
 22 findings on the department's Internet web site.

23 SECTION 23. IC 20-26-7.1-9, AS AMENDED BY P.L.155-2021,
 24 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 25 JULY 1, 2023]: Sec. 9. (a) The attorney general shall investigate
 26 complaints that a school corporation has not complied with the
 27 requirements under this chapter if the complaint is filed within one (1)
 28 year of the date in which the governing body is alleged to have taken
 29 an official action that does not comply with this chapter. The attorney
 30 general shall notify the school corporation of the investigation within
 31 five (5) business days of receipt of a complaint under this section. The
 32 attorney general shall complete the investigation within sixty (60) days
 33 of the date of the complaint. The school corporation must provide any
 34 information requested by the attorney general necessary to conduct the
 35 investigation. Upon completion of the investigation, the attorney
 36 general shall issue findings indicating whether the complaint is either
 37 substantiated or unsubstantiated.

38 (b) Subject to subsection (d), in the event that a complaint is
 39 substantiated, (a) The attorney general, in consultation with the
 40 department and state board, is authorized to take any action necessary
 41 to remedy a substantiated complaint, which may include actions to be
 42 performed by the state board or the department to ensure compliance



1 of a school corporation under this section:

2 (c) Upon completion of the investigation under subsection (a), the
 3 attorney general shall publish findings of an investigation under
 4 subsection (a) on the attorney general's Internet web site. In the event
 5 a complaint is substantiated, a copy of the findings shall be sent to the
 6 state board and the department. **enforce a department or state board
 7 order under IC 20-26-7-47 or this chapter (or an order issued by
 8 the attorney general under IC 20-26-7.1 (as effective before July 1,
 9 2023)), including equitable actions to enjoin or mandate an action
 10 of a school corporation. No final court order shall be issued until
 11 the school corporation has had ninety (90) days after the
 12 department or state board has issued a final order to complete a
 13 sale or lease of the covered school building. If the attorney general
 14 does not commence legal action for an injunction to enforce a final
 15 order to make a covered school building available for purchase or
 16 lease under this chapter within one hundred (100) days after the
 17 date the final order was issued, the charter school or state
 18 educational institution that submitted the preliminary notice of
 19 interest to acquire or lease the covered school building may file a
 20 civil action to enforce this chapter.**

21 (d) **(b) In addition to the remedy under subsection (a), if a school**
 22 **corporation does not comply with the requirements to sell or lease a**
 23 **vacant covered school building provided in under this chapter, as**
 24 **determined by the attorney general under subsection (a), the school**
 25 **corporation shall submit any proceeds from the sale of the vacant**
 26 **covered school building to the state board, which shall be distributed**
 27 **equally between each charter school located in the attendance area of**
 28 **the school corporation. If no charter schools are located in the**
 29 **attendance area, the state board must use the proceeds to provide grants**
 30 **under the charter school and innovation grant program under**
 31 **IC 20-24-13. The attorney general is authorized to initiate any legal**
 32 **action necessary to ensure compliance with this section: chapter.**

33 SECTION 24. IC 20-26-7.1-10 IS ADDED TO THE INDIANA
 34 CODE AS A NEW SECTION TO READ AS FOLLOWS
 35 [EFFECTIVE JULY 1, 2023]: **Sec. 10. (a) The following may adopt**
 36 **rules under IC 4-22-2 to carry out this chapter:**

- 37 (1) The department.
- 38 (2) The state board.
- 39 (3) The attorney general.

40 (b) **An action to complete the closure of a covered school**
 41 **building or sell or lease a covered school building to a charter**
 42 **school or state educational institution after June 30, 2023, that is**



1 **based on an action initiated in compliance with this chapter (as**
 2 **effective before July 1, 2023) is validated and legalized to the same**
 3 **extent as if all actions were taken under this chapter (as effective**
 4 **after June 30, 2023).**

5 SECTION 25. IC 20-29-2-6, AS AMENDED BY P.L.272-2019,
 6 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 JULY 1, 2023]: Sec. 6. "Deficit financing" for a budget year:

8 (1) means, except as provided in subdivision (2), actual
 9 expenditures exceeding the employer's current year actual
 10 education fund revenue and, for a school employer for which the
 11 voters have passed an operating referendum tax levy under
 12 IC 20-46-1 or a school safety referendum tax levy under
 13 IC 20-46-9, the amount of revenue certified by the department of
 14 local government finance, **excluding money distributed to a**
 15 **charter school under IC 20-46-1-21 or IC 20-46-9-22;** or

16 (2) means, in the case of any distressed school corporation, the
 17 Gary Community School Corporation, or the Muncie Community
 18 school corporation, actual expenditures plus additional payments
 19 against any outstanding debt obligations exceeding the employer's
 20 current year actual education fund revenue, and, for a school
 21 employer for which the voters have passed an operating
 22 referendum tax levy under IC 20-46-1 or a school safety
 23 referendum tax levy under IC 20-46-9, **excluding money**
 24 **distributed to a charter school under IC 20-46-1-21 or**
 25 **IC 20-46-9-22,** the amount of revenue certified by the department
 26 of local government finance.

27 Except as provided in IC 20-29-6-3(c), revenue does not include money
 28 estimated to be or actually transferred from the school corporation's
 29 operations fund to its education fund.

30 SECTION 26. IC 20-29-8-7, AS AMENDED BY P.L.272-2019,
 31 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 32 JULY 1, 2023]: Sec. 7. (a) When a factfinder is requested or required
 33 under IC 20-29-6, the board shall appoint a factfinder.

34 (b) The factfinder shall make an investigation and hold hearings as
 35 the factfinder considers necessary in connection with a dispute.

36 (c) The factfinder:

37 (1) may restrict the factfinder's findings to those issues that the
 38 factfinder determines significant;

39 (2) must restrict the findings to the items listed in IC 20-29-6-4;
 40 and

41 (3) may not impose terms beyond those proposed by the parties in
 42 their last, best offers.



- 1 (d) The factfinder may use evidence furnished to the factfinder by:
 2 (1) the parties;
 3 (2) the board;
 4 (3) the board's staff; or
 5 (4) any other state agency.
- 6 (e) The factfinder shall conduct the factfinding hearing in public in
 7 a room or facility owned by the county or local unit of government
 8 located in the county in which the school employer is located, or if the
 9 school employer is located in more than one (1) county, in the county
 10 in which the greatest number of students who attend the school
 11 employer's schools reside. The public hearing may begin not earlier
 12 than November 15 in the first year of the state budget biennium and
 13 must be concluded by February 15 of the calendar year after the start
 14 of formal collective bargaining.
- 15 (f) The factfinding process may not exceed thirty (30) days from
 16 beginning to end, and not more than two (2) of those days may be used
 17 for public testimony, which may be taken at the discretion of the
 18 factfinder. During the public hearing, each party shall present fully its
 19 last, best offer, including the fiscal rationale for the offer. Only
 20 education fund revenue and, for a school employer for which the voters
 21 have passed an operating referendum tax levy under IC 20-46-1 or a
 22 school safety referendum tax levy under IC 20-46-9, the amount of
 23 revenue certified by the department of local government finance,
 24 **excluding money distributed to a charter school under**
 25 **IC 20-46-1-21 or IC 20-46-9-22**, may be considered a source of the
 26 funding for items. Money estimated to be or actually transferred from
 27 the school corporation's operations fund to its education fund may not
 28 be considered a source of funding for items.
- 29 (g) The factfinder shall make a recommendation as to the settlement
 30 of the disputes over which the factfinder has jurisdiction.
- 31 (h) The factfinder shall:
 32 (1) make the investigation, hearing, and findings as expeditiously
 33 as the circumstances permit; and
 34 (2) deliver the findings to the parties and to the board.
- 35 (i) The board, after receiving the findings and recommendations,
 36 may make additional findings and recommendations to the parties
 37 based on information in:
 38 (1) the report; or
 39 (2) the board's own possession.
- 40 The board may not make any recommendations to the parties related to
 41 any items not specifically identified in IC 20-29-6-4.
- 42 (j) At any time within five (5) days after the findings and



1 recommendations are delivered to the board, the board may make the
 2 findings and recommendations of the factfinder and the board's
 3 additional findings and recommendations, if any, available to the
 4 public through news media and other means the board considers
 5 effective.

6 (k) The board shall make the findings and recommendations
 7 described in subsection (j) available to the public not later than ten (10)
 8 days after the findings and recommendations are delivered to the board.

9 SECTION 27. IC 20-40-3-5, AS AMENDED BY P.L.154-2020,
 10 SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 UPON PASSAGE]: Sec. 5. (a) Money in the fund may be used for any
 12 lawful school expenses, including making a transfer to the school
 13 corporation's education fund (IC 20-40-2) or operations fund
 14 (IC 20-40-18).

15 (b) **Except as provided in IC 20-46-1-21**, a school corporation may
 16 distribute proceeds of a tax levy collected under IC 20-46-1 that is
 17 transferred to the school corporation's education fund to a charter
 18 school, excluding a virtual charter school, that is located within the
 19 attendance area of the school corporation.

20 SECTION 28. IC 20-40-20-6, AS AMENDED BY P.L.154-2020,
 21 SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 UPON PASSAGE]: Sec. 6. (a) Subject to subsections (c) and (d),
 23 money in the fund may be used only for the following purposes:

- 24 (1) To employ or compensate a school resource officer or school
 25 resource officers.
- 26 (2) To establish or fund a school safety office.
- 27 (3) To conduct a threat assessment of a school building.
- 28 (4) To create or update a school safety plan.
- 29 (5) To develop or update school emergency response systems.
- 30 (6) To purchase equipment to improve the safety of a school
 31 building, school grounds, or school buses.
- 32 (7) To pay capital expenses to improve the safety of a school
 33 building.
- 34 (8) To establish and administer programs to address youth
 35 specific mental illness, addiction, anger management, bullying,
 36 and school violence.
- 37 (9) To develop and administer professional development
 38 programs for teachers, administrators, and other school employees
 39 designed to improve school safety and reduce violence.

40 (b) **Except as provided in IC 20-46-9-22**, a school corporation may
 41 distribute, with the approval of the majority of members of the
 42 governing body, a portion of the proceeds of a tax levy collected under



1 IC 20-46-9 that is deposited in the fund to a charter school, excluding
 2 a virtual charter school, that is located within the attendance area of the
 3 school corporation, to be used by the charter school for the purposes
 4 described in subsection (a).

5 (c) Expenditures paid using money collected from the levy shall be
 6 included in a school's safety plan.

7 (d) Local law enforcement shall participate in:

8 (1) development of a school safety plan;

9 (2) development or updates to school emergency response
 10 systems; and

11 (3) determination of capital expenses that would improve the
 12 safety of a school building.

13 (e) Money in the fund may be transferred to the school corporation's
 14 education fund (IC 20-40-2), operations fund (IC 20-40-18), or school
 15 safety referendum debt service fund (IC 20-40-21), as applicable, to
 16 pay for expenditures listed in subsection (a).

17 SECTION 29. IC 20-46-1-8, AS AMENDED BY P.L.174-2022,
 18 SECTION 51, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 19 UPON PASSAGE]: Sec. 8. (a) Subject to subsections ~~(c)~~, ~~(d)~~, and ~~(e)~~,
 20 **(f), and (g)** and this chapter, the governing body of a school
 21 corporation may adopt a resolution to place a referendum under this
 22 chapter on the ballot for any of the following purposes:

23 (1) The governing body of the school corporation determines that
 24 it cannot, in a calendar year, carry out its public educational duty
 25 unless it imposes a referendum tax levy under this chapter.

26 (2) The governing body of the school corporation determines that
 27 a referendum tax levy under this chapter should be imposed to
 28 replace property tax revenue that the school corporation will not
 29 receive because of the application of the credit under
 30 IC 6-1.1-20.6.

31 (3) **For a resolution adopted before May 11, 2023**, the
 32 governing body makes the determination required under
 33 subdivision (1) or (2) and determines to share a portion of the
 34 referendum proceeds with a charter school, excluding a virtual
 35 charter school, in the manner prescribed in subsection ~~(d)~~ **(e)**.

36 **(b) A resolution for a referendum for a county described in**
 37 **section 21 of this chapter that is adopted after May 10, 2023, shall**
 38 **specify that a portion of the proceeds collected from the proposed**
 39 **levy will be distributed to applicable charter schools in the manner**
 40 **described under section 21 of this chapter.**

41 ~~(b)~~ **(c)** The governing body of the school corporation shall certify a
 42 copy of the resolution to place a referendum on the ballot to the



- 1 following:
- 2 (1) The department of local government finance, including:
- 3 (A) the language for the question required by section 10 of this
- 4 chapter, or in the case of a resolution to extend a referendum
- 5 levy certified to the department of local government finance
- 6 after March 15, 2016, section 10.1 of this chapter; and
- 7 (B) a copy of the revenue spending plan adopted under
- 8 subsection ~~(e)~~: **(g)**.
- 9 The language of the public question must include the estimated
- 10 average percentage increases certified by the county auditor under
- 11 section 10(e) or 10.1(f) of this chapter, as applicable. The
- 12 governing body of the school corporation shall also provide the
- 13 county auditor's certification described in section 10(e) or 10.1(f)
- 14 of this chapter, as applicable. The department of local government
- 15 finance shall post the values certified by the county auditor to the
- 16 department's ~~Internet web site~~: **website**. The department shall
- 17 review the language for compliance with section 10 or 10.1 of this
- 18 chapter, whichever is applicable, and either approve or reject the
- 19 language. The department shall send its decision to the governing
- 20 body of the school corporation not more than ten (10) days after
- 21 the resolution is submitted to the department. If the language is
- 22 approved, the governing body of the school corporation shall
- 23 certify a copy of the resolution, including the language for the
- 24 question and the department's approval.
- 25 (2) The county fiscal body of each county in which the school
- 26 corporation is located (for informational purposes only).
- 27 (3) The circuit court clerk of each county in which the school
- 28 corporation is located.
- 29 ~~(e)~~ **(d)** If a school safety referendum tax levy under IC 20-46-9 has
- 30 been approved by the voters in a school corporation at any time in the
- 31 previous three (3) years, the school corporation may not:
- 32 (1) adopt a resolution to place a referendum under this chapter on
- 33 the ballot; or
- 34 (2) otherwise place a referendum under this chapter on the ballot.
- 35 ~~(d)~~ **(e)** **Except as provided in section 21 of this chapter**, the
- 36 resolution described in subsection (a) must indicate whether proceeds
- 37 in the school corporation's education fund collected from a tax levy
- 38 under this chapter will be used to provide a distribution to a charter
- 39 school or charter schools, excluding a virtual charter school, under
- 40 IC 20-40-3-5 as well as the amount that will be distributed to the
- 41 particular charter school or charter schools. A school corporation may
- 42 request from the designated charter school or charter schools any



1 financial documentation necessary to demonstrate the financial need of
2 the charter school or charter schools.

3 **(f) This subsection applies to a resolution described in**
4 **subsection (a) for a county described in section 21(a) of this**
5 **chapter that is adopted after May 10, 2023. The resolution**
6 **described in subsection (a) shall include a projection of the amount**
7 **that the school corporation expects to be distributed to a particular**
8 **charter school, excluding virtual charter schools or adult high**
9 **schools, under section 21 of this chapter if the charter school**
10 **voluntarily elects to participate in the referendum in the manner**
11 **described in subsection (i). At least sixty (60) days before the**
12 **resolution described in subsection (a) is voted on by the governing**
13 **body, the school corporation shall contact the department to**
14 **determine the number of students in kindergarten through grade**
15 **12 who have legal settlement in the school corporation but attend**
16 **a charter school, excluding virtual charter schools or adult high**
17 **schools, and who receive not more than fifty percent (50%) virtual**
18 **instruction. The department shall provide the school corporation**
19 **with the number of students with legal settlement in the school**
20 **corporation who attend a charter school and who receive not more**
21 **than fifty percent (50%) virtual instruction, which shall be**
22 **disaggregated for each particular charter school, excluding a**
23 **virtual charter school or adult high school. The projection may**
24 **include an expected increase in charter schools during the term the**
25 **levy is imposed under this chapter. The department of local**
26 **government finance shall prescribe the manner in which the**
27 **projection shall be calculated. The governing body shall take into**
28 **consideration the projection when adopting the revenue spending**
29 **plan under subsection (g).**

30 **(g) As part of the resolution described in subsection (a), the**
31 **governing body of the school corporation shall adopt a revenue**
32 **spending plan for the proposed referendum tax levy that includes:**

- 33 (1) an estimate of the amount of annual revenue expected to be
34 collected if a levy is imposed under this chapter;
35 (2) the specific purposes for which the revenue collected from a
36 levy imposed under this chapter will be used; ~~and~~
37 (3) an estimate of the annual dollar amounts that will be expended
38 for each purpose described in subdivision (2); **and**
39 **(4) for a resolution for a referendum that is adopted after**
40 **May 10, 2023, for a county described in section 21(a) of this**
41 **chapter, the projected revenue that shall be distributed to**
42 **charter schools as provided in subsections (f) and (i). The**



- 1 revenue spending plan shall also take into consideration
 2 deviations in the proposed revenue spending plan if the actual
 3 charter school distributions exceed or are lower than the
 4 projected charter school distributions described in subsection
 5 (f). The resolution shall include for each charter school that
 6 elects to participate under subsection (i) information
 7 described in subdivisions (1) through (3).
- 8 ~~(f)~~ (h) A school corporation shall specify in its proposed budget the
 9 school corporation's revenue spending plan adopted under subsection
 10 ~~(e)~~ (g) and annually present the revenue spending plan at its public
 11 hearing on the proposed budget under IC 6-1.1-17-3.
- 12 (i) This subsection applies to a resolution described in subsection
 13 (a) for a county described in section 21(a) of this chapter that is
 14 adopted after May 10, 2023. At least forty-five (45) days before the
 15 resolution described in subsection (a) is voted on by the governing
 16 body, the school corporation shall contact each charter school,
 17 excluding virtual charter schools or adult high schools, disclosed by
 18 the department to the school corporation under subsection (f) to
 19 determine whether the charter school will participate in the
 20 referendum. The charter school must respond in writing to the
 21 school corporation at least fifteen (15) days prior to the date that
 22 the resolution described in subsection (a) is to be voted on by the
 23 governing body. If the charter school elects to not participate in the
 24 referendum, the school corporation may exclude distributions to
 25 the charter school under section 21 of this chapter and from the
 26 projection described in subsection (f). If the charter school elects
 27 to participate in the referendum, the charter school may receive
 28 distributions under section 21 of this chapter and must be included
 29 in the projection described in subsection (f). In addition, a charter
 30 school that elects to participate in the referendum under this
 31 subsection shall contribute a proportionate share of the cost to
 32 conduct the referendum based on the total combined ADM of the
 33 school corporation and any participating charter schools.
- 34 (j) This subsection applies to a resolution described in
 35 subsection (a) for a county described in section 21(a) of this
 36 chapter that is adopted after May 10, 2023. At least thirty (30) days
 37 before the resolution described in subsection (a) is voted on by the
 38 governing body, the school corporation that is pursuing the
 39 resolution and any charter school that has elected to participate
 40 under subsection (i), shall post a referendum disclosure statement
 41 on each school's respective website that contains the following
 42 information:



- 1 **(1) The salaries of all employees employed by the school**
 2 **corporation or charter school listed from highest salary to**
 3 **lowest salary.**
 4 **(2) An acknowledgment that the school corporation or charter**
 5 **school is not committing any crime described in IC 35-44.1-1.**
 6 **(3) A link to the school corporation's or charter school's most**
 7 **recent State Board of Accounts audit on the State Board of**
 8 **Accounts' website.**
 9 **(4) The current enrollment of the school corporation or**
 10 **charter school disaggregated by student group and race.**
 11 **(5) The school corporation's or charter school's high school**
 12 **graduation rate.**
 13 **(6) The school corporation's or charter school's annual**
 14 **retention rate for teachers for the previous five (5) years.**

15 SECTION 30. IC 20-46-1-8.5, AS ADDED BY P.L.138-2016,
 16 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 UPON PASSAGE]: Sec. 8.5. **(a)** A resolution to extend a referendum
 18 levy must be:

- 19 (1) adopted by the governing body of a school corporation; and
 20 (2) approved in a referendum under this chapter;

21 before December 31 of the final calendar year in which the school
 22 corporation's previously approved referendum levy is imposed under
 23 this chapter.

24 **(b) For a resolution adopted under this section after May 10,**
 25 **2023, for a county described in section 21(a) of this chapter, the**
 26 **resolution must include the projected charter school distributions**
 27 **described in section 8(f) of this chapter and indicate the**
 28 **distributions to applicable charter schools in accordance with**
 29 **section 21 of this chapter.**

30 SECTION 31. IC 20-46-1-10, AS AMENDED BY P.L.174-2022,
 31 SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 32 UPON PASSAGE]: Sec. 10. (a) This section does not apply to a
 33 referendum on a resolution certified to the department of local
 34 government finance after March 15, 2016, to extend a referendum levy.

35 (b) The question to be submitted to the voters in the referendum
 36 must read as follows:

37 "Shall the school corporation increase property taxes paid to ~~the~~
 38 ~~school corporation schools~~ by homeowners and businesses for
 39 _____ (insert number of years) years immediately following the
 40 holding of the referendum for the purpose of funding _____
 41 (insert short description of purposes)? If this public question is
 42 approved by the voters, the average property tax paid to ~~the~~



1 ~~school corporation schools~~ per year on a residence would increase
 2 by _____% (insert the estimated average percentage of property
 3 tax increase paid to ~~the school corporation schools~~ on a residence
 4 within the school corporation as determined under subsection (c))
 5 and the average property tax paid to ~~the school corporation~~
 6 ~~schools~~ per year on a business property would increase by
 7 _____% (insert the estimated average percentage of property tax
 8 increase paid to ~~the school corporation schools~~ on a business
 9 property within the school corporation as determined under
 10 subsection (d)). The most recent property tax referendum
 11 proposed by the school corporation was held in _____ (insert
 12 year) and _____ (insert whether the measure passed or
 13 failed).".

14 (c) At the request of the governing body of a school corporation that
 15 proposes to impose property taxes under this chapter, the county
 16 auditor of the county in which the school corporation is located shall
 17 determine the estimated average percentage of property tax increase on
 18 a homestead to be paid to ~~the school corporation schools~~ that must be
 19 included in the public question under subsection (b) as follows:

20 STEP ONE: Determine the average assessed value of a homestead
 21 located within the school corporation.

22 STEP TWO: For purposes of determining the net assessed value
 23 of the average homestead located within the school corporation,
 24 subtract:

25 (A) an amount for the homestead standard deduction under
 26 IC 6-1.1-12-37 as if the homestead described in STEP ONE
 27 was eligible for the deduction; and

28 (B) an amount for the supplemental homestead deduction
 29 under IC 6-1.1-12-37.5 as if the homestead described in STEP
 30 ONE was eligible for the deduction;

31 from the result of STEP ONE.

32 STEP THREE: Divide the result of STEP TWO by one hundred
 33 (100).

34 STEP FOUR: Determine the overall average tax rate per one
 35 hundred dollars (\$100) of assessed valuation for the current year
 36 imposed on property located within the school corporation.

37 STEP FIVE: For purposes of determining net property tax liability
 38 of the average homestead located within the school corporation:

39 (A) multiply the result of STEP THREE by the result of STEP
 40 FOUR; and

41 (B) as appropriate, apply any currently applicable county
 42 property tax credit rates and the credit for excessive property



- 1 taxes under IC 6-1.1-20.6-7.5(a)(1).
 2 STEP SIX: Determine the amount of the school corporation's part
 3 of the result determined in STEP FIVE.
 4 STEP SEVEN: Multiply:
 5 (A) the tax rate that will be imposed if the public question is
 6 approved by the voters; by
 7 (B) the result of STEP THREE.
 8 STEP EIGHT: Divide the result of STEP SEVEN by the result of
 9 STEP SIX, expressed as a percentage.
 10 (d) At the request of the governing body of a school corporation that
 11 proposes to impose property taxes under this chapter, the county
 12 auditor of the county in which the school corporation is located shall
 13 determine the estimated average percentage of property tax increase on
 14 a business property to be paid to ~~the school corporation~~ schools that
 15 must be included in the public question under subsection (b) as
 16 follows:
 17 STEP ONE: Determine the average assessed value of business
 18 property located within the school corporation.
 19 STEP TWO: Divide the result of STEP ONE by one hundred
 20 (100).
 21 STEP THREE: Determine the overall average tax rate per one
 22 hundred dollars (\$100) of assessed valuation for the current year
 23 imposed on property located within the school corporation.
 24 STEP FOUR: For purposes of determining net property tax
 25 liability of the average business property located within the school
 26 corporation:
 27 (A) multiply the result of STEP TWO by the result of STEP
 28 THREE; and
 29 (B) as appropriate, apply any currently applicable county
 30 property tax credit rates and the credit for excessive property
 31 taxes under IC 6-1.1-20.6-7.5 as if the applicable percentage
 32 was three percent (3%).
 33 STEP FIVE: Determine the amount of the school corporation's
 34 part of the result determined in STEP FOUR.
 35 STEP SIX: Multiply:
 36 (A) the result of STEP TWO; by
 37 (B) the tax rate that will be imposed if the public question is
 38 approved by the voters.
 39 STEP SEVEN: Divide the result of STEP SIX by the result of
 40 STEP FIVE, expressed as a percentage.
 41 (e) The county auditor shall certify the estimated average percentage
 42 of property tax increase on a homestead to be paid to ~~the school~~



1 ~~corporation~~ **schools** determined under subsection (c), and the estimated
 2 average percentage of property tax increase on a business property to
 3 be paid to ~~the school corporation~~ **schools** determined under subsection
 4 (d), in a manner prescribed by the department of local government
 5 finance, and provide the certification to the governing body of the
 6 school corporation that proposes to impose property taxes.

7 SECTION 32. IC 20-46-1-19.5, AS AMENDED BY P.L.272-2019,
 8 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 UPON PASSAGE]: Sec. 19.5. (a) Subject to section ~~8(c)~~ **8(d)** of this
 10 chapter, if a referendum is approved by the voters in a school
 11 corporation under this chapter in a calendar year, another referendum
 12 may not be placed on the ballot in the school corporation under this
 13 chapter in the following calendar year.

14 (b) Notwithstanding any other provision of this chapter and in
 15 addition to the restriction specified in subsection (a), if a school
 16 corporation imposes in a calendar year a referendum levy approved in
 17 a referendum under this chapter, the school corporation may not
 18 simultaneously impose in that calendar year more than one (1)
 19 additional referendum levy approved in a subsequent referendum under
 20 this chapter.

21 SECTION 33. IC 20-46-1-21 IS ADDED TO THE INDIANA
 22 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 23 [EFFECTIVE UPON PASSAGE]: **Sec. 21. (a) This section applies to**
 24 **revenue received from a resolution that is approved by the**
 25 **governing body to impose a referendum levy under section 8 or 8.5**
 26 **of this chapter after May 10, 2023, for a school corporation located**
 27 **in:**

- 28 (1) Lake County;
- 29 (2) Marion County;
- 30 (3) St. Joseph County; or
- 31 (4) Vanderburgh County.

32 (b) **The county auditor in which the school corporation is**
 33 **located shall distribute an amount under subsection (d) to each**
 34 **charter school, excluding virtual charter schools or adult high**
 35 **schools, that a student who resides within the attendance area of**
 36 **the school corporation attends if the charter school elects to**
 37 **participate in the referendum under section 8(i) of this chapter.**
 38 **The department shall provide the county auditor with data and**
 39 **information necessary for the county auditor to determine:**

- 40 (1) **which charter schools are eligible to receive a distribution**
 41 **under this section; and**
- 42 (2) **the number of students who reside within the attendance**



- 1 area of the school corporation who are included in the ADM
2 for each charter school, excluding virtual charter schools or
3 adult high schools, described in subdivision (1).
- 4 (c) The following schools are not eligible to receive a
5 distribution under this section:
- 6 (1) A virtual charter school.
7 (2) An adult high school.
- 8 (d) Except as provided in subsection (e), the amount that the
9 county auditor shall distribute to a charter school, excluding
10 virtual charter schools or adult high schools, under this section is
11 the amount determined in the last STEP of the following STEPS:
- 12 STEP ONE: Determine, for each charter school, excluding
13 virtual charter schools or adult high schools, that is eligible to
14 receive a distribution under this section, the number of
15 students who reside within the attendance area of the school
16 corporation who are currently included in the ADM of the
17 charter school, excluding virtual charter schools or adult high
18 schools.
- 19 STEP TWO: Determine the sum of:
- 20 (A) the current ADM count for the school corporation;
21 plus
22 (B) the STEP ONE amount.
- 23 STEP THREE: Determine the result of:
- 24 (A) the STEP ONE amount; divided by
25 (B) the STEP TWO amount.
- 26 STEP FOUR: Determine the result of:
- 27 (A) the STEP THREE amount; multiplied by
28 (B) the amount collected by the county auditor during the
29 most recent installment period.
- 30 (e) The total amount of money distributed to applicable charter
31 schools, excluding virtual charter schools or adult high schools,
32 under this section for a particular year may not exceed one
33 hundred ten percent (110%) of the total amount of money that is
34 projected to be distributed to all applicable charter schools,
35 excluding virtual charter schools or adult high schools, under
36 section 8(f) of this chapter for that particular year. If the total
37 amount of money to be distributed to charter schools, excluding
38 virtual charter schools or adult high schools, for a particular year
39 exceeds one hundred ten percent (110%) of the amount projected
40 to be distributed to all applicable charter schools, excluding virtual
41 charter schools or adult high schools, under section 8(f) of this
42 chapter, the amount that is actually distributed to each charter



1 school, excluding virtual charter schools or adult high schools,
 2 under subsection (d) shall be proportionately reduced so that the
 3 total amount of money distributed to all applicable charter schools,
 4 excluding virtual charter schools or adult high schools, during that
 5 particular year equals an amount determined under the last STEP
 6 of the following STEPS:

7 **STEP ONE: Determine the amount projected to be**
 8 **distributed to all applicable charter schools, excluding virtual**
 9 **charter schools or adult high schools, under section 8(f) of this**
 10 **chapter for that particular year.**

11 **STEP TWO: Multiply the STEP ONE amount by ten percent**
 12 **(10%).**

13 **STEP THREE: Add the STEP TWO amount to the STEP**
 14 **ONE amount.**

15 SECTION 34. IC 20-46-9-6, AS AMENDED BY P.L.174-2022,
 16 SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 UPON PASSAGE]: Sec. 6. (a) Subject to this chapter, the governing
 18 body of a school corporation may adopt a resolution to place a
 19 referendum under this chapter on the ballot if the governing body of the
 20 school corporation determines that a referendum levy should be
 21 imposed for measures to improve school safety as described in
 22 IC 20-40-20-6(a) or IC 20-40-20-6(b).

23 (b) **Except as provided in section 22 of this chapter,** a school
 24 corporation may, with the approval of the majority of members of the
 25 governing body, distribute a portion of the proceeds of a tax levy
 26 collected under this chapter that is deposited in the fund to a charter
 27 school, excluding a virtual charter school, that is located within the
 28 attendance area of the school corporation, to be used by the charter
 29 school for the purposes described in IC 20-40-20-6(a).

30 (c) **This subsection applies to a resolution described in**
 31 **subsection (a) that is adopted after May 10, 2023, in a county**
 32 **described in section 22(a) of this chapter. A resolution shall specify**
 33 **that a portion of the proceeds of the proposed levy will be**
 34 **distributed to applicable charter schools in the manner described**
 35 **under section 22 of this chapter if the charter school voluntarily**
 36 **elects to participate in the referendum in the manner described in**
 37 **subsection (i).**

38 (d) **This subsection applies to a resolution described in**
 39 **subsection (a) that is adopted after May 10, 2023, in a county**
 40 **described in section 22(a) of this chapter. The resolution described**
 41 **in subsection (a) shall include a projection of the amount that the**
 42 **school corporation expects to be distributed to a particular charter**



1 school, excluding virtual charter schools or adult high schools,
 2 under section 22 of this chapter that elects to participate in the
 3 referendum under subsection (i). At least sixty (60) days before the
 4 resolution described in subsection (a) is voted on by the governing
 5 body, the school corporation shall contact the department to
 6 determine the number of students in kindergarten through grade
 7 12 who have legal settlement in the school corporation but attend
 8 a charter school, excluding virtual charter schools or adult high
 9 schools, and who receive not more than fifty percent (50%) virtual
 10 instruction. The department shall provide the school corporation
 11 with the number of students with legal settlement in the school
 12 corporation who attend a charter school, which shall be
 13 disaggregated for each particular charter school, excluding a
 14 virtual charter school or adult high school. The projection may
 15 include an expected increase in charter schools during the term the
 16 levy is imposed. The department of local government finance shall
 17 prescribe the manner in which the projection shall be calculated.
 18 The governing body shall take into consideration the projection
 19 when adopting the revenue spending plan under subsection (g).

20 ~~(e)~~ (e) The governing body of the school corporation shall certify a
 21 copy of the resolution to the following:

22 (1) The department of local government finance, including:

23 (A) the language for the question required by section 9 of this
 24 chapter, or in the case of a resolution to extend a referendum
 25 levy certified to the department of local government finance,
 26 section 10 of this chapter; and

27 (B) a copy of the revenue spending plan adopted under
 28 subsection ~~(e)~~: (g).

29 The language of the public question must include the estimated
 30 average percentage increases certified by the county auditor under
 31 section 9(d) or 10(f) of this chapter, as applicable. The governing
 32 body of the school corporation shall also provide the county
 33 auditor's certification described in section 9(d) or 10(f) of this
 34 chapter, as applicable. The department of local government
 35 finance shall post the values certified by the county auditor to the
 36 department's ~~internet web site~~: website. The department shall
 37 review the language for compliance with section 9 or 10 of this
 38 chapter, whichever is applicable, and either approve or reject the
 39 language. The department shall send its decision to the governing
 40 body of the school corporation not more than ten (10) days after
 41 the resolution is submitted to the department. If the language is
 42 approved, the governing body of the school corporation shall



- 1 certify a copy of the resolution, including the language for the
 2 question and the department's approval.
- 3 (2) The county fiscal body of each county in which the school
 4 corporation is located (for informational purposes only).
- 5 (3) The circuit court clerk of each county in which the school
 6 corporation is located.
- 7 ~~(d)~~ **(f) Except as provided in section 22 of this chapter, the**
 8 resolution described in subsection (a) must indicate whether proceeds
 9 in the school corporation's fund collected from a tax levy under this
 10 chapter will be used to provide a distribution to a charter school or
 11 charter schools, excluding a virtual charter school, under
 12 IC 20-40-20-6(b) as well as the amount that will be distributed to the
 13 particular charter school or charter schools. A school corporation may
 14 request from the designated charter school or charter schools any
 15 financial documentation necessary to demonstrate the financial need of
 16 the charter school or charter schools.
- 17 ~~(e)~~ **(g) As part of the resolution described in subsection (a), the**
 18 governing body of the school corporation shall adopt a revenue
 19 spending plan for the proposed referendum tax levy that includes:
- 20 (1) an estimate of the amount of annual revenue expected to be
 21 collected if a levy is imposed under this chapter;
- 22 (2) the specific purposes described in IC 20-40-20-6 for which the
 23 revenue collected from a levy imposed under this chapter will be
 24 used; ~~and~~
- 25 (3) an estimate of the annual dollar amounts that will be expended
 26 for each purpose described in subdivision (2); ~~and~~
- 27 **(4) for a resolution for a referendum that is adopted after**
 28 **May 10, 2023, for a county described in section 22(a) of this**
 29 **chapter, the projected revenue that shall be distributed to**
 30 **charter schools as provided in subsection (d). The revenue**
 31 **spending plan shall also take into consideration deviations in**
 32 **the proposed revenue spending plan if the actual charter**
 33 **school distributions exceed or are lower than the projected**
 34 **charter school distributions described in subsection (d). The**
 35 **resolution shall include for each charter school that elects to**
 36 **participate under subsection (i) information described in**
 37 **subdivisions (1) through (3).**
- 38 ~~(f)~~ **(h) A school corporation shall specify in its proposed budget the**
 39 school corporation's revenue spending plan adopted under subsection
 40 ~~(e)~~ **(g) and annually present the revenue spending plan at its public**
 41 hearing on the proposed budget under IC 6-1.1-17-3.
- 42 **(i) This subsection applies to a resolution described in subsection**



1 (a) for a county described in section 22(a) of this chapter that is
2 adopted after May 10, 2023. At least forty-five (45) days before the
3 resolution described in subsection (a) is voted on by the governing
4 body, the school corporation shall contact each charter school,
5 excluding virtual charter schools or adult high schools, disclosed by
6 the department to the school corporation under subsection (f) to
7 determine whether the charter school will participate in the
8 referendum. The charter school must respond in writing to the
9 school corporation at least fifteen (15) days prior to the date that
10 the resolution described in subsection (a) is to be voted on by the
11 governing body. If the charter school elects to not participate in the
12 referendum, the school corporation may exclude distributions to
13 the charter school under section 22 of this chapter and from the
14 projection described in subsection (d). If the charter school elects
15 to participate in the referendum, the charter school may receive
16 distributions under section 22 of this chapter and must be included
17 in the projection described in subsection (d). In addition, a charter
18 school that elects to participate in the referendum under this
19 subsection shall contribute a proportionate share of the cost to
20 conduct the referendum based on the total combined ADM of the
21 school corporation and any participating charter schools.

22 (j) This subsection applies to a resolution described in
23 subsection (a) for a county described in section 22(a) of this
24 chapter that is adopted after May 10, 2023. At least thirty (30) days
25 before the resolution described in subsection (a) is voted on by the
26 governing body, the school corporation that is pursuing the
27 resolution and any charter school that has elected to participate
28 under subsection (i), shall post a referendum disclosure statement
29 on each school's respective website that contains the following
30 information:

31 (1) The salaries of all employees employed by the school
32 corporation or charter school listed from highest salary to
33 lowest salary.

34 (2) An acknowledgment that the school corporation or charter
35 school is not committing any crime described in IC 35-44.1-1.

36 (3) A link to the school corporation's or charter school's most
37 recent State Board of Accounts audit on the State Board of
38 Accounts' website.

39 (4) The current enrollment of the school corporation or
40 charter school disaggregated by student group and race.

41 (5) The school corporation's or charter school's high school
42 graduation rate.



1 **(6) The school corporation's or charter school's annual**
 2 **retention rate for teachers for the previous five (5) years.**
 3 SECTION 35. IC 20-46-9-7, AS ADDED BY P.L.272-2019,
 4 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 5 UPON PASSAGE]: Sec. 7. **(a)** A resolution to extend a referendum
 6 levy must be:
 7 (1) adopted by the governing body of a school corporation; and
 8 (2) approved in a referendum under this chapter;
 9 before December 31 of the final calendar year in which the school
 10 corporation's previously approved referendum levy is imposed under
 11 this chapter.
 12 **(b) For a resolution adopted under this section after May 10,**
 13 **2023, for a county described in section 22(a) of this chapter, the**
 14 **resolution must include the projected charter school distributions**
 15 **described in section 6(d) of this chapter and indicate the**
 16 **distributions to applicable charter schools in accordance with**
 17 **section 22 of this chapter.**
 18 SECTION 36. IC 20-46-9-9, AS AMENDED BY P.L.174-2022,
 19 SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 20 UPON PASSAGE]: Sec. 9. **(a)** The question to be submitted to the
 21 voters in the referendum must read as follows:
 22 "Shall the school corporation increase property taxes paid to ~~the~~
 23 ~~school corporation schools~~ **schools** by homeowners and businesses for
 24 _____ (insert number of years) years immediately following the
 25 holding of the referendum for the purpose of funding _____
 26 (insert short description of purposes)? If this public question is
 27 approved by the voters, the average property tax paid to ~~the~~
 28 ~~school corporation schools~~ **schools** per year on a residence would increase
 29 by _____% (insert the estimated average percentage of property
 30 tax increase paid to ~~the school corporation schools~~ **schools** on a residence
 31 within the school corporation as determined under subsection (b))
 32 and the average property tax paid to ~~the school corporation~~
 33 ~~schools~~ **schools** per year on a business property would increase by
 34 _____% (insert the estimated average percentage of property tax
 35 increase paid to ~~the school corporation schools~~ **schools** on a business
 36 property within the school corporation as determined under
 37 subsection (c)). The most recent property tax referendum
 38 proposed by the school corporation was held in _____ (insert
 39 year) and _____ (insert whether the measure passed or
 40 failed).".
 41 **(b)** At the request of the governing body of a school corporation that
 42 proposes to impose property taxes under this chapter, the county



1 auditor of the county in which the school corporation is located shall
 2 determine the estimated average percentage of property tax increase on
 3 a homestead to be paid to the school corporation that must be included
 4 in the public question under subsection (a) as follows:

5 STEP ONE: Determine the average assessed value of a homestead
 6 located within the school corporation.

7 STEP TWO: For purposes of determining the net assessed value
 8 of the average homestead located within the school corporation,
 9 subtract:

10 (A) an amount for the homestead standard deduction under
 11 IC 6-1.1-12-37 as if the homestead described in STEP ONE
 12 was eligible for the deduction; and

13 (B) an amount for the supplemental homestead deduction
 14 under IC 6-1.1-12-37.5 as if the homestead described in STEP
 15 ONE was eligible for the deduction;

16 from the result of STEP ONE.

17 STEP THREE: Divide the result of STEP TWO by one hundred
 18 (100).

19 STEP FOUR: Determine the overall average tax rate per one
 20 hundred dollars (\$100) of assessed valuation for the current year
 21 imposed on property located within the school corporation.

22 STEP FIVE: For purposes of determining net property tax liability
 23 of the average homestead located within the school corporation:

24 (A) multiply the result of STEP THREE by the result of STEP
 25 FOUR; and

26 (B) as appropriate, apply any currently applicable county
 27 property tax credit rates and the credit for excessive property
 28 taxes under IC 6-1.1-20.6-7.5(a)(1).

29 STEP SIX: Determine the amount of the school corporation's part
 30 of the result determined in STEP FIVE.

31 STEP SEVEN: Multiply:

32 (A) the tax rate that will be imposed if the public question is
 33 approved by the voters; by

34 (B) the result of STEP THREE.

35 STEP EIGHT: Divide the result of STEP SEVEN by the result of
 36 STEP SIX, expressed as a percentage.

37 (c) At the request of the governing body of a school corporation that
 38 proposes to impose property taxes under this chapter, the county
 39 auditor of the county in which the school corporation is located shall
 40 determine the estimated average percentage of property tax increase on
 41 a business property to be paid to the school corporation that must be
 42 included in the public question under subsection (a) as follows:



- 1 STEP ONE: Determine the average assessed value of business
 2 property located within the school corporation.
 3 STEP TWO: Divide the result of STEP ONE by one hundred
 4 (100).
 5 STEP THREE: Determine the overall average tax rate per one
 6 hundred dollars (\$100) of assessed valuation for the current year
 7 imposed on property located within the school corporation.
 8 STEP FOUR: For purposes of determining net property tax
 9 liability of the average business property located within the school
 10 corporation:
 11 (A) multiply the result of STEP TWO by the result of STEP
 12 THREE; and
 13 (B) as appropriate, apply any currently applicable county
 14 property tax credit rates and the credit for excessive property
 15 taxes under IC 6-1.1-20.6-7.5 as if the applicable percentage
 16 was three percent (3%).
 17 STEP FIVE: Determine the amount of the school corporation's
 18 part of the result determined in STEP FOUR.
 19 STEP SIX: Multiply:
 20 (A) the result of STEP TWO; by
 21 (B) the tax rate that will be imposed if the public question is
 22 approved by the voters.
 23 STEP SEVEN: Divide the result of STEP SIX by the result of
 24 STEP FIVE, expressed as a percentage.
 25 (d) The county auditor shall certify the estimated average
 26 percentage of property tax increase on a homestead to be paid to ~~the~~
 27 ~~school corporation~~ **schools** determined under subsection (b), and the
 28 estimated average percentage of property tax increase on a business
 29 property to be paid to ~~the school corporation~~ **schools** determined under
 30 subsection (c), in a manner prescribed by the department of local
 31 government finance, and provide the certification to the governing
 32 body of the school corporation that proposes to impose property taxes.
 33 SECTION 37. IC 20-46-9-22 IS ADDED TO THE INDIANA
 34 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 35 [EFFECTIVE UPON PASSAGE]: **Sec. 22. (a) This section applies to**
 36 **revenue received from a resolution that is approved by the**
 37 **governing body to impose a referendum levy under section 6 or 7**
 38 **of this chapter after May 10, 2023, for a school corporation located**
 39 **in:**
 40 **(1) Lake County;**
 41 **(2) Marion County;**
 42 **(3) St. Joseph County; or**



- 1 **(4) Vanderburgh County.**
- 2 **(b) The county auditor shall distribute an amount under**
- 3 **subsection (d) to each charter school, excluding virtual charter**
- 4 **schools or adult high schools, that a student who resides within the**
- 5 **attendance area of the school corporation attends if the charter**
- 6 **school, excluding virtual charter schools or adult high schools,**
- 7 **elects to participate in the referendum under section 6(i) of this**
- 8 **chapter. The department shall provide the county auditor with**
- 9 **data and information necessary for the county auditor to**
- 10 **determine:**
- 11 **(1) which charter schools, excluding virtual charter schools or**
- 12 **adult high schools, are eligible to receive a distribution under**
- 13 **this section; and**
- 14 **(2) the number of students who reside within the attendance**
- 15 **area of the school corporation who are included in the ADM**
- 16 **for each charter school, excluding virtual charter schools or**
- 17 **adult high schools, described in subdivision (1).**
- 18 **(c) The following schools are not eligible to receive a**
- 19 **distribution under this section:**
- 20 **(1) A virtual charter school.**
- 21 **(2) An adult high school.**
- 22 **(d) Except as provided in subsection (f), the amount that the**
- 23 **county auditor shall distribute to a charter school, excluding**
- 24 **virtual charter schools or adult high schools, under this section is**
- 25 **the amount determined in the last STEP of the following STEPS:**
- 26 **STEP ONE: Determine, for each charter school, excluding**
- 27 **virtual charter schools or adult high schools, that is eligible to**
- 28 **receive a distribution under this section, the number of**
- 29 **students who reside within the attendance area of the school**
- 30 **corporation who are currently included in the ADM of the**
- 31 **charter school, excluding virtual charter schools or adult high**
- 32 **schools.**
- 33 **STEP TWO: Determine the sum of:**
- 34 **(A) the current ADM count for the school corporation;**
- 35 **plus**
- 36 **(B) the STEP ONE amount.**
- 37 **STEP THREE: Determine the result of:**
- 38 **(A) the STEP ONE amount; divided by**
- 39 **(B) the STEP TWO amount.**
- 40 **STEP FOUR: Determine the result of:**
- 41 **(A) the STEP THREE amount; multiplied by**
- 42 **(B) the amount collected by the county auditor during the**



1 **most recent installment period.**

2 **(e) If a charter school receives a distribution under this section,**
 3 **the distribution may be used only for the purposes described in**
 4 **IC 20-40-20-6(a).**

5 **(f) The total amount of money distributed to applicable charter**
 6 **schools, excluding virtual charter schools or adult high schools,**
 7 **under this section for a particular year may not exceed one**
 8 **hundred ten percent (110%) of the total amount of money that is**
 9 **projected to be distributed to all applicable charter schools,**
 10 **excluding virtual charter schools or adult high schools, under**
 11 **section 6(d) of this chapter for that particular year. If the total**
 12 **amount of money to be distributed to charter schools, excluding**
 13 **virtual charter schools or adult high schools, for a particular year**
 14 **exceeds one hundred ten percent (110%) of the amount projected**
 15 **to be distributed to all applicable charter schools, excluding virtual**
 16 **charter schools or adult high schools, under section 6(d) of this**
 17 **chapter, the amount that is actually distributed to each charter**
 18 **school, excluding virtual charter schools or adult high schools,**
 19 **under subsection (d) shall be proportionately reduced so that the**
 20 **total amount of money distributed to all applicable charter schools,**
 21 **excluding virtual charter schools or adult high schools, during that**
 22 **particular year equals an amount determined under the last STEP**
 23 **of the following STEPS:**

24 **STEP ONE: Determine the amount projected to be**
 25 **distributed to all applicable charter schools, excluding virtual**
 26 **charter schools or adult high schools, under section 6(d) of**
 27 **this chapter for that particular year.**

28 **STEP TWO: Multiply the STEP ONE amount by ten percent**
 29 **(10%).**

30 **STEP THREE: Add the STEP TWO amount to the STEP**
 31 **ONE amount.**

32 SECTION 38. IC 20-49-3-8, AS AMENDED BY P.L.211-2018(ss),
 33 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 34 JULY 1, 2023]: Sec. 8. The fund may be used to make advances:

35 (1) to school corporations, including school corporation career
 36 and technical education schools described in IC 20-37-1-1, under
 37 IC 20-49-4 and IC 20-49-5;

38 **(2) to charter schools under IC 20-49-4;**

39 ~~(2)~~ **(3)** under IC 20-49-6;

40 ~~(3)~~ **(4)** to charter and innovation network schools under
 41 IC 20-49-9; and

42 ~~(4)~~ **(5)** to a school corporation or charter school (or a coalition of



1 public schools applying jointly) under IC 20-49-10.
 2 Unless the context clearly requires otherwise, a reference to a school
 3 corporation in this chapter includes a school corporation career and
 4 technical education school described in IC 20-37-1-1. However, an
 5 advance to a school corporation career and technical education school
 6 described in IC 20-37-1-1 is not considered an advance to a school
 7 corporation for purposes of determining if the school corporation career
 8 and technical education school described in IC 20-37-1-1 qualifies for
 9 an advance.

10 SECTION 39. IC 20-49-4-1, AS AMENDED BY P.L.233-2015,
 11 SECTION 312, IS AMENDED TO READ AS FOLLOWS
 12 [EFFECTIVE JULY 1, 2023]: Sec. 1. This chapter applies to:

- 13 (1) school corporations organized and formed through
 14 reorganization under IC 20-23-4, IC 20-23-6, or IC 20-23-7; ~~and~~
 15 (2) school corporation career and technical education schools
 16 described in IC 20-37-1-1; ~~and~~
 17 (3) **charter schools.**

18 Unless the context clearly requires otherwise, a reference to a school
 19 corporation in this chapter includes a school corporation career and
 20 technical education school described in IC 20-37-1-1.

21 SECTION 40. IC 20-49-4-2, AS ADDED BY P.L.2-2006,
 22 SECTION 172, IS AMENDED TO READ AS FOLLOWS
 23 [EFFECTIVE JULY 1, 2023]: Sec. 2. Sections 9, 12, and 13 of this
 24 chapter do not apply if a school corporation **or charter school** sustains
 25 loss from a disaster.

26 SECTION 41. IC 20-49-4-3.5 IS ADDED TO THE INDIANA
 27 CODE AS A **NEW SECTION** TO READ AS FOLLOWS
 28 [EFFECTIVE JULY 1, 2023]: **Sec. 3.5. (a) As used in this chapter,**
 29 **"charter school" refers to a school established under IC 20-24.**

30 **(b) The term does not include the following:**

- 31 **(1) A virtual charter school (as defined in IC 20-24-1-10).**
 32 **(2) An adult high school (as defined in IC 20-24-1-2.3).**

33 SECTION 42. IC 20-49-4-7, AS AMENDED BY P.L.40-2014,
 34 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 35 JULY 1, 2023]: Sec. 7. **(a) As used in this chapter, "school building**
 36 **construction program" means the following:**

- 37 **(1) The purchase, lease, or financing of land, the construction and**
 38 **equipping of school buildings, and the remodeling, repairing, or**
 39 **improving of school buildings by a school corporation:**
 40 **(+) (A) that sustained a loss from a disaster;**
 41 **(-) (B) whose ~~adjusted~~ assessed valuation (~~as determined~~**
 42 **~~under IC 6-1.1-34-8~~) per current ADM is within the lowest**



1 forty percent (40%) of ~~the~~ assessed valuation per current ADM
 2 when compared with all school corporation ~~adjusted~~ assessed
 3 valuation (~~as adjusted (if applicable) under IC 6-1.1-34-8~~) per
 4 current ADM; or
 5 ~~(B)~~ (C) with an advance under this chapter outstanding on July
 6 1, 1993, that bears interest of at least seven and one-half
 7 percent (7.5%).

8 **(2) The purchase, lease, or financing of land, the construction**
 9 **and equipping of school buildings, and the remodeling,**
 10 **repairing, or improving of school buildings by a charter**
 11 **school.**

12 (b) The term does not include facilities used or to be used primarily
 13 for interscholastic or extracurricular activities. If a program involves a
 14 school corporation career and technical education school described in
 15 IC 20-37-1-1, the ~~adjusted~~ assessed valuation and current ADM of all
 16 those school corporations that are members of the career and technical
 17 education school are to be used for making determinations under this
 18 section.

19 SECTION 43. IC 20-49-4-8, AS ADDED BY P.L.2-2006,
 20 SECTION 172, IS AMENDED TO READ AS FOLLOWS
 21 [EFFECTIVE JULY 1, 2023]: Sec. 8. The state board may advance
 22 money to school corporations **and charter schools** to be used for:

23 (1) school building construction programs; and

24 (2) **subject to IC 20-20-13-7**, educational technology programs;
 25 as provided in this chapter.

26 SECTION 44. IC 20-49-4-9, AS AMENDED BY P.L.40-2014,
 27 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 JULY 1, 2023]: Sec. 9. Priority of advances for school building
 29 construction programs shall be made to school corporations that have
 30 the least amount of ~~adjusted~~ assessed valuation (~~as determined under~~
 31 ~~IC 6-1.1-34-8~~) per ~~student in current~~ ADM. If a program involves a
 32 school corporation career and technical education school described in
 33 IC 20-37-1-1, the ~~adjusted~~ assessed valuation and current ADM of all
 34 those school corporations that are members of the career and technical
 35 education school are to be used for making determinations under this
 36 section.

37 SECTION 45. IC 20-49-4-11, AS ADDED BY P.L.2-2006,
 38 SECTION 172, IS AMENDED TO READ AS FOLLOWS
 39 [EFFECTIVE JULY 1, 2023]: Sec. 11. A school corporation **or**
 40 **charter school** desiring to obtain an advance must submit an
 41 application to the state board in the form established by the state board,
 42 after consulting with the department and the budget agency.



1 SECTION 46. IC 20-49-4-12, AS AMENDED BY P.L.244-2017,
 2 SECTION 120, IS AMENDED TO READ AS FOLLOWS
 3 [EFFECTIVE JULY 1, 2023]: Sec. 12. **(a) For a school corporation**
 4 **or charter school** to qualify for an advance under this chapter, a:

5 (1) school corporation must establish an operations fund under
 6 IC 20-40-18; and

7 **(2) charter school must establish an operations fund.**

8 **(b)** The state board, after consulting with the department and the
 9 budget agency, may waive or modify ~~this the~~ requirement **under this**
 10 **section** upon a showing of good cause by the school corporation **or**
 11 **charter school.**

12 SECTION 47. IC 20-49-4-13, AS ADDED BY P.L.2-2006,
 13 SECTION 172, IS AMENDED TO READ AS FOLLOWS
 14 [EFFECTIVE JULY 1, 2023]: Sec. 13. An advance to a school
 15 corporation **or charter school** for any school building construction
 16 program may not exceed the greater of the following:

17 (1) Fifteen million dollars (\$15,000,000).

18 (2) The product of fifteen thousand dollars (\$15,000) multiplied
 19 by the number of students accommodated as a result of the school
 20 building construction program.

21 However, if a school corporation **or charter school** has sustained loss
 22 by disaster, this limitation may be waived by the state board after
 23 consulting with the department and the budget agency.

24 SECTION 48. IC 20-49-4-14, AS ADDED BY P.L.2-2006,
 25 SECTION 172, IS AMENDED TO READ AS FOLLOWS
 26 [EFFECTIVE JULY 1, 2023]: Sec. 14. An advance for an educational
 27 technology program is without limitation in amount other than the
 28 availability of funds in the fund for this purpose and the ability of the
 29 school corporation **or charter school** desiring an advance to pay the
 30 advance according to the terms of the advance.

31 SECTION 49. IC 20-49-4-15, AS ADDED BY P.L.2-2006,
 32 SECTION 172, IS AMENDED TO READ AS FOLLOWS
 33 [EFFECTIVE JULY 1, 2023]: Sec. 15. (a) Money advanced to a school
 34 corporation **or charter school** for a school building construction
 35 program may be advanced for a period not exceeding twenty-five (25)
 36 years. The school corporation **or charter school** to which money is
 37 advanced must pay interest on the advance. For advances made before
 38 July 1, 1993, the state board may provide, either before an advance is
 39 made or before an advance is fully paid, that the payment of the
 40 advance may not be prepaid by more than six (6) months. For advances
 41 made after June 30, 1993, for school building construction programs,
 42 the state board may provide that the advances are prepayable at any



1 time.

2 (b) The state board of finance shall periodically establish the rate or
3 rates of interest payable on advances for school building construction
4 programs as long as:

5 (1) the established interest rate or rates do not exceed seven and
6 one-half percent (7.5%); and

7 (2) the interest rate or rates on advances made to school
8 corporations with advances outstanding on July 1, 1993, bearing
9 interest at seven and one-half percent (7.5%) or more shall not
10 exceed four percent (4%).

11 SECTION 50. IC 20-49-4-16, AS ADDED BY P.L.2-2006,
12 SECTION 172, IS AMENDED TO READ AS FOLLOWS
13 [EFFECTIVE JULY 1, 2023]: Sec. 16. (a) Money advanced to a school
14 corporation **or charter school** for an educational technology program
15 may be for a period not exceeding five (5) years. The school
16 corporation **or charter school** to which an advance is made shall pay
17 interest on the advance. Advances for educational technology programs
18 may be prepaid at any time.

19 (b) The state board of finance shall periodically establish the rate or
20 rates of interest payable on advances for educational technology
21 programs as long as the established interest rate or rates:

22 (1) are not less than one percent (1%); and

23 (2) do not exceed four percent (4%).

24 SECTION 51. IC 20-49-4-17, AS ADDED BY P.L.2-2006,
25 SECTION 172, IS AMENDED TO READ AS FOLLOWS
26 [EFFECTIVE JULY 1, 2023]: Sec. 17. (a) An advance is not an
27 obligation of the school corporation within the meaning of the
28 limitation on or prohibition against indebtedness under the Constitution
29 of the State of Indiana. Nothing in this chapter relieves the governing
30 body of a school corporation **or charter school** receiving an advance
31 of any obligation under Indiana law to qualify the school corporation
32 **or charter school** for state tuition support. The school corporation **or**
33 **charter school** shall continue to perform all acts necessary to obtain
34 these funds.

35 (b) **Notwithstanding any bankruptcy, reorganization, or other**
36 **insolvency proceedings with respect to a charter school, an advance**
37 **to a charter school under this chapter is a preferred claim and has**
38 **priority over all other claims.**

39 SECTION 52. IC 20-49-4-18, AS AMENDED BY P.L.40-2014,
40 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
41 JULY 1, 2023]: Sec. 18. (a) To ensure timely payment of advances
42 according to the terms, the state may in its sole discretion withhold



1 from funds due to school corporations **or charter schools** to which
 2 advances are made amounts necessary to pay the advances and the
 3 interest on the advances in accordance with their respective terms. The
 4 terms of the advances shall be established by the state board after
 5 consulting with the department and upon the approval of the budget
 6 agency in advance of the time the respective advances are made.
 7 However, in the case of school corporations with advances outstanding
 8 on July 1, 1993, the withholding may be adjusted to conform with this
 9 chapter.

10 (b) To the extent available, funds shall first be withheld from the
 11 distribution of state tuition support. However, if this distribution is not
 12 available or is inadequate, funds may be withheld from the distribution
 13 of other state funds to the school corporation **or charter school** to
 14 which the advance is made.

15 (c) If an advance is made to a school corporation career and
 16 technical education school described in IC 20-37-1-1, a part of the
 17 advance and the payment obligation for that part of the advance shall
 18 be determined by allocating the advance and payment amounts among
 19 the members of the career and technical education school using the
 20 number of students from each member school corporation that are
 21 enrolled in the career and technical education school in the school year
 22 the advance is made.

23 SECTION 53. IC 20-49-4-19, AS AMENDED BY P.L.40-2014,
 24 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 25 JULY 1, 2023]: Sec. 19. ~~A~~ **Each** school corporation **or charter school**
 26 receiving an advance shall agree to have the money advanced, together
 27 with the interest on the advance, deducted from the distribution of state
 28 tuition support until all the money advanced, together with the interest
 29 on the advance, has been paid. The state board and the state board of
 30 finance shall reduce each distribution of state tuition support to each
 31 school corporation **or charter school** to which an advance is made in
 32 an amount to be agreed upon by the state and the school corporation **or**
 33 **charter school**. If an advance is made to a school corporation career
 34 and technical education school described in IC 20-37-1-1, the reduction
 35 for a payment obligation for the advance shall be allocated as provided
 36 in section 18 of this chapter.

37 SECTION 54. IC 20-49-4-23, AS AMENDED BY P.L.217-2017,
 38 SECTION 139, IS AMENDED TO READ AS FOLLOWS
 39 [EFFECTIVE JULY 1, 2023]: Sec. 23. (a) Upon request of the
 40 treasurer of state, the state board of finance may periodically sell,
 41 transfer, or liquidate agreements, in whole or in part, including without
 42 limitation the sale, transfer, or liquidation of all or any part of the



1 principal or interest to be received at any time under one (1) or more
 2 agreements that evidence the right of the state to make deductions from
 3 state tuition support to pay advances under this chapter under the terms
 4 and conditions that the state board of finance considers necessary and
 5 appropriate.

6 (b) Each sale, transfer, or liquidation under this section is subject to
 7 the following conditions:

8 (1) Each sale, transfer, or liquidation may be made only to a
 9 department, an agency, a commission, an instrumentality, or a
 10 public body of the state, including the Indiana bond bank.

11 (2) Each sale, transfer, or liquidation of agreements may be made
 12 only for cash.

13 (3) Payments under the sale, transfer, or liquidation must be made
 14 to the treasurer of state for the fund and reported to the state board
 15 of finance.

16 (4) The total amount of cash received by the fund from the sale
 17 may not be less than the outstanding principal amount of all or a
 18 part of the agreements sold plus accrued interest owed.

19 (5) If necessary to facilitate a sale, transfer, or liquidation, the
 20 state board or the state board of finance may agree to act on
 21 behalf of an entity described in subdivision (1) by collecting
 22 payment on advances that are:

23 (A) received directly from a school corporation **or charter**
 24 **school**, if any direct payments are received; or

25 (B) deducted from amounts appropriated and made available
 26 for state tuition support.

27 An agreement by the state board or the state board of finance
 28 under this subdivision is a valid and enforceable contractual
 29 obligation but is not a debt of the state within the meaning of the
 30 limitation against indebtedness under the Constitution of the State
 31 of Indiana.

32 (6) Each proposed sale, transfer, or liquidation must be reviewed
 33 by the budget committee and approved by the budget agency.

34 (c) The state board of finance shall notify the state board and the
 35 department of any action that the state board of finance takes under this
 36 section.

37 SECTION 55. IC 20-51.4-4-1, AS AMENDED BY P.L.132-2022,
 38 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JULY 1, 2023]: Sec. 1. (a) ~~After June 30, 2022~~, A parent of an eligible
 40 student or an emancipated eligible student may establish an Indiana
 41 education scholarship account for the eligible student by entering into
 42 a written agreement with the treasurer of state on a form prepared by



1 the treasurer of state. **Beginning July 1, 2023**, the treasurer of state
 2 shall ~~establish a date by which an application to establish an account~~
 3 **accept applications July 1 through June 30 of each year for**
 4 **participation in the program.** ~~for the upcoming school year must be~~
 5 ~~submitted. However, for a school year beginning after July 1, 2022,~~
 6 ~~applications must be submitted for an eligible student not later than~~
 7 ~~September 1 for the immediately following school year.~~ The account
 8 of an eligible student shall be made in the name of the eligible student.
 9 The treasurer of state shall make the agreement available on the
 10 ~~Internet web site~~ **website** of the treasurer of state. To be eligible, a
 11 parent of an eligible student or an emancipated eligible student wishing
 12 to participate in the program must agree that:

13 (1) a grant deposited in the eligible student's account under
 14 section 2 of this chapter and any interest that may accrue in the
 15 account will be used only for the eligible student's qualified
 16 expenses;

17 (2) money in the account when the account is terminated reverts
 18 to the state general fund;

19 (3) the parent of the eligible student or the emancipated eligible
 20 student will use part of the money in the account:

21 (A) for the eligible student's study in the subject of reading,
 22 grammar, mathematics, social studies, or science; or

23 (B) for use in accordance with the eligible student's:

24 (i) individualized education program;

25 (ii) service plan developed under 511 IAC 7-34;

26 (iii) choice special education plan developed under 511
 27 IAC 7-49; or

28 (iv) plan developed under Section 504 of the federal
 29 Rehabilitation Act of 1973, 29 U.S.C. 794;

30 (4) the eligible student will not be enrolled in a school that
 31 receives tuition support under IC 20-43; and

32 (5) the eligible student will take the statewide assessment, as
 33 applicable based on the eligible student's grade level, as provided
 34 under IC 20-32-5.1, or the assessment specified in the eligible
 35 student's:

36 (A) individualized education program developed under
 37 IC 20-35;

38 (B) service plan developed under 511 IAC 7-34;

39 (C) choice special education plan developed under 511
 40 IAC 7-49; or

41 (D) plan developed under Section 504 of the federal
 42 Rehabilitation Act of 1973, 29 U.S.C. 794.



1 (b) A parent of an eligible student may enter into a separate
 2 agreement under subsection (a) for each child of the parent. However,
 3 not more than one (1) account may be established for each eligible
 4 student.

5 (c) The account must be established under subsection (a) by a parent
 6 of an eligible student or an emancipated eligible student for a school
 7 year on or before a date established by the treasurer of state, which
 8 must be at least thirty (30) days before the fall ADM count date
 9 established by the state board under IC 20-43-4-3. **not later than seven**
 10 **(7) days after the date that the treasurer of state approves an**
 11 **application submitted under subsection (a).** A parent of an eligible
 12 student or an emancipated eligible student may not enter into an
 13 agreement under this section or maintain an account under this chapter
 14 if the eligible student receives a choice scholarship under IC 20-51-4
 15 for the same school year. An eligible student may not receive a grant
 16 under section 2 of this chapter if the eligible student is currently
 17 ~~included~~ **enrolled** in a school ~~corporation's~~ **corporation.** ~~ADM count~~
 18 ~~under IC 20-43-4.~~

19 (d) Except as provided in subsections (e) and (f), an agreement
 20 made under this section is valid for one (1) school year while the
 21 eligible student is in kindergarten through grade 12 and may be
 22 renewed annually. Upon graduation, or receipt of a certificate of
 23 completion under the eligible student's individualized education
 24 program, the eligible student's account is terminated.

25 (e) An agreement entered into under this section terminates
 26 automatically for an eligible student if:

- 27 (1) the eligible student no longer resides in Indiana while the
 28 eligible student is eligible to receive grants under section 2 of this
 29 chapter; or
 30 (2) the account is not renewed within three hundred ninety-five
 31 (395) days after the date the account was either established or last
 32 renewed.

33 If an account is terminated under this section, money in the eligible
 34 student's account, including any interest accrued, reverts to the state
 35 general fund.

36 (f) An agreement made under this section for an eligible student
 37 while the eligible student is in kindergarten through grade 12 may be
 38 terminated before the end of the school year if the parent of the eligible
 39 student or the emancipated eligible student notifies the treasurer of
 40 state in a manner specified by the treasurer of state.

41 (g) A distribution made to an account under section 2 of this chapter
 42 is considered tax exempt as long as the distribution is used for a



1 qualified expense. The amount is subtracted from the definition of
2 adjusted federal gross income under IC 6-3-1-3.5 to the extent the
3 distribution used for the qualified expense is included in the taxpayer's
4 adjusted federal gross income under the Internal Revenue Code.

5 (h) The department shall establish a student test number as
6 described in IC 20-19-3-9.4 for each eligible student. The treasurer of
7 state shall provide the department information necessary for the
8 department to comply with this subsection.

9 **SECTION 56. An emergency is declared for this act.**



COMMITTEE REPORT

Madam President: The Senate Committee on Education and Career Development, to which was referred Senate Bill No. 391, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, between lines 27 and 28, begin a new line block indented and insert:

"(1) "Covered school building" has the meaning set forth in IC 20-26-7.1-2.1."

Page 2, line 28, delete "(1)" and insert "(2)".

Page 2, line 31, delete "(2)" and insert "(3)".

Page 2, line 34, delete "(3)" and insert "(4)".

Page 2, between lines 35 and 36, begin a new line block indented and insert:

"(5) "Qualified nonprofit corporation" has the meaning set forth in IC 20-26-7.1-2.7."

Page 2, line 37, after "enrollment" insert **"for in-person instruction"**.

Page 2, line 39, after "enrollment" insert **"for in-person instruction"**.

Page 3, line 6, delete "shall" and insert **"may"**.

Page 3, delete lines 34 through 42, begin a new line block indented and insert:

"(1) The number of full-time equivalent students enrolled for in-person instruction in the school building on instructional days (as determined under IC 20-30-2) for instructional purposes, averaged over the current school year and the two (2) school years immediately preceding the current school year, is at least sixty percent (60%) of:

(A) the known classroom design capacity of the school building; or

(B) if the design capacity is not known, the average maximum full-time equivalent enrollment in any of the last twenty-five (25) years, as validated by records created or maintained by the department."

Page 4, delete lines 1 through 5.

Page 5, delete lines 32 through 42, begin a new paragraph and insert:

"(g) Before filing a petition under subsection (h), a charter school, state educational institution, or qualified nonprofit



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

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

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

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

(A) is not contesting the petition; or

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

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

(k) If the school corporation:

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

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

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



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

(m) The department shall make a determination regarding a petition under subsection (h) not more than one hundred twenty (120) days after the date that the:

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

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

(n) A school corporation or another party to the proceeding may file with the state board a petition requesting review of the department's determination. Upon receipt of a petition under this subsection, the state board shall review the department's determination. An appeal to the state board shall be subject to the procedure described in IC 20-26-11-15(b).

(o) Upon the issuance of a final unappealable order granting a petition, the school corporation may make the school building available for lease or purchase in accordance with IC 20-26-7.1."

Page 6, delete lines 1 through 33.

Page 7, line 3, after "enrollment" insert "for in-person instruction".

Page 7, line 5, after "enrollment" insert "for in-person instruction".

Page 7, line 25, delete "students" and insert "student".

Page 7, line 26, after "enrollment" insert "for in-person instruction".

Page 8, between lines 15 and 16, begin a new line block indented and insert:

"(6) Each charter school that is not described in subdivision (2) or qualified nonprofit corporation that has provided a written notice of interest in a covered school building to the department.

SECTION 7. IC 20-26-7.1-2.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: **Sec. 2.7. As used in this chapter, "qualified nonprofit corporation" means a nonprofit corporation that:**

(1) is qualified as tax exempt under Section 501(c)(3) of the Internal Revenue Code;

(2) is not owned or otherwise controlled by a school corporation or employee of a school corporation; and

(3) has engaged in exempt educational purpose activities for



at least two (2) years."

Page 8, delete lines 24 through 42, begin a new paragraph and insert:

"SECTION 8. IC 20-26-7.1-3, AS AMENDED BY P.L.155-2021, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 3. (a) ~~This subsection applies to any school building that is owned by a school corporation or any other entity that is related in any way to, or created by, the school corporation or the governing body, including but not limited to a building corporation, and that has at any time been used for classroom instruction. Except as provided in section 1 of this chapter or subsection (b)(1); (b) or (c), before a governing body may sell, exchange, lease, demolish, hold without operating, or dispose of a covered school building, a governing body shall do the following:~~

~~(1) This subdivision applies after June 30, 2021. The governing body shall obtain a certification from the attorney general's office under section 8.5 of this chapter.~~

~~(2) The governing body shall make available for lease or purchase by a charter school, or after June 30, 2021, a state educational institution, or **qualified nonprofit corporation** any covered school building 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, including but not limited to a building corporation, that~~

~~(A) is vacant or unused; and~~

~~(B) was previously used for classroom instruction;~~

the governing body elects to close or the school corporation is required to close under IC 20-26-7-47, in order for the covered school building to be used by a:

(1) charter school to conduct kindergarten prekindergarten through grade 12 classroom instruction; or to be used by a

(2) state educational institution for an academic purpose; or

(3) qualified nonprofit corporation for educational purposes.

(b) The following are not required to comply with this chapter:

(1) A governing body that vacates a **covered** school building in order to:

(A) renovate the **covered** school building for a future **allowable** use by the school corporation **as permitted under IC 20-26-7-47**; or

(B) demolish the **covered** school building and build a new school building on the same site as the demolished building.

(2) An emergency manager of a distressed school corporation



under IC 6-1.1-20.3.

(3) The governing body of the School City of East Chicago school corporation for the Carrie Gosch Elementary School building.

(c) ~~Notwithstanding subsection (a), a lease entered into by This section does not apply to a covered school building in which a governing body under IC 20-26-5-4(a)(7) entered a lease prior to January 1, 2019, with a state accredited nonpublic school. shall remain in full force and effect.~~ In addition, the governing body may, during or at the expiration of the term of such lease, sell the school building leased under IC 20-26-5-4(a)(7) to the nonpublic school at a purchase price mutually agreed to by the governing body and the nonpublic school.

(d) A covered school building that a school corporation closes or is required to close may not be retained by the school corporation for storage or office use unless the conditions of IC 20-26-7-47(e)(3), IC 20-26-7-47(e)(4), or IC 20-26-7-47(e)(5) are met."

Page 9, delete lines 1 through 28.

Page 10, line 10, delete "shall" and insert "**may**".

Page 10, delete lines 17 through 33, begin a new paragraph and insert:

"(c) The governing body shall do the following:

~~(2)~~ **(1) Make the covered school building available for inspection by a charter school, or state educational institution, or qualified nonprofit corporation that notifies the department that it is interested in leasing or purchasing the covered school building. described under section 3 of this chapter; and**

~~(3)~~ **(2) Make the following information available to a charter school, or state educational institution, or qualified nonprofit corporation described in subdivision (2): (1):**

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

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

(C) A legal description of the property."

Page 11, delete lines 9 through 42, begin a new paragraph and insert:

~~(e)~~ **(e) The school corporation shall lease the covered school building to a charter school, or state educational institution, or**



qualified nonprofit corporation for one dollar (\$1) per year for as long as the state educational institution uses the **covered school building** for an academic purpose, ~~or~~ the charter school uses the **covered school building** for classroom instruction, **or the qualified nonprofit corporation uses the covered school building for educational purposes**, for a term at the state educational institution's, ~~or~~ charter school's, **or qualified nonprofit corporation's** discretion, or sell the **covered school building** for one dollar (\$1), if the charter school, ~~or~~ state educational institution, **or qualified nonprofit corporation** does the following:

- (1) Within ~~thirty (30)~~ **ninety (90)** days of receiving the department's notice under subsection ~~(b); (d)~~, a charter school, ~~or~~ state educational institution, **or qualified nonprofit corporation** must submit a preliminary request to purchase or lease the **covered school building**.
- (2) Subject to subsection ~~(d); (f)~~, within ninety (90) days of receiving the department's notice under subsection ~~(b); (d)~~, a charter school, ~~or~~ state educational institution, **or qualified nonprofit corporation** must submit to the school corporation the following information:
 - (A) The name of the charter school, ~~or~~ state educational institution, **or qualified nonpublic corporation** that is interested in leasing or purchasing the ~~vacant or unused covered~~ **covered school building**.
 - (B) A time frame, which may not exceed two (2) 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 ~~vacant or unused covered~~ **covered school building**;
 - ~~or~~
 - (ii) state educational institution intends to begin using the **covered school building** for an academic purpose; **or**
 - (iii) **qualified nonprofit corporation intends to begin using the covered school building for educational purposes.**
 - (C) A resolution, adopted by the board of the charter school, ~~or~~ state educational institution, **or qualified nonprofit corporation** stating that the board of the charter school, ~~or~~ the state educational institution, **or qualified nonprofit corporation** has determined that, after the charter school, ~~or~~ state educational institution, **or qualified nonprofit corporation** 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, **or qualified nonprofit corporation's** needs and can be operated within the charter school's, ~~or~~ state educational institution's, **or qualified nonprofit corporation's** budget.

(~~D~~) This clause applies to a vacant or unused school building with more than two hundred thousand (200,000) gross square feet. In addition to the information provided in clauses (A) through (~~C~~); a charter school shall submit the following:

(i) The charter school's projected enrollment when all of the grade levels are added.

(ii) A letter from the charter school's authorizer or prospective authorizer that indicates that the charter school's authorizer or prospective authorizer has reviewed the items described in clauses (~~B~~) through (~~C~~) and that the projected enrollment of the charter school when all of the grade levels are added or fully implemented will be at least sixty percent (60%) of the maximum annual student enrollment of the school building during the past twenty-five (25) years as validated by records maintained or created by the department."

Page 12, delete lines 1 through 18.

Page 12, line 31, delete "identify" and insert "**identity**".

Page 12, line 33, delete "(j)." and insert "**(k)**".

Page 12, line 34, strike "Except as provided in subsection".

Page 12, line 34, delete "(i), in" and insert "In".

Page 12, line 35, strike "but no state educational institutions,".

Page 13, line 7, delete "(e)(2)" and insert "**(k)**".

Page 13, line 14, delete "performance" and insert "**performance**".

Page 13, delete line 15.

Page 13, line 17, delete "and socio-emotional learning success".

Page 13, line 18, delete "competing," and insert "**competing and only one (1) charter school is operating in the county in which the covered school building is located,**".

Page 13, delete lines 41 through 42, begin a new paragraph and insert:

"(f) If two (2) or more state educational institutions but no charter schools submit timely preliminary requests under subsection (~~e~~)(1) regarding a school building; the secretary of education shall appoint three (3) representatives of other state educational institutions. The appointed representatives shall act as a committee to determine which of the state educational institutions that have submitted preliminary



requests as described in this subsection is best able to meet the needs of the students in the locality in which the school building is located. Not later than sixty (60) days after the date that the secretary of education appoints the committee of representatives under this subsection, the committee of representatives shall:

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

(2) determine if two (2) or more state educational institutions should co-locate within the school building.

(g) If one (1) or more charter schools and one (1) or more state educational institutions submit timely preliminary requests under subsection (c)(1) regarding a school building, the charter school shall be provided preference to the school building. If more than one (1) charter school submits timely preliminary requests under subsection (c)(1) regarding a school building, the determination of which charter school may obtain the school building shall be resolved in the manner prescribed in subsection (e).

(h) If a charter school does not submit a preliminary request to purchase or lease the covered school building and only one (1) state educational institution or qualified nonprofit corporation submits a preliminary request to purchase or lease the covered school building, the department shall:

(1) notify the school corporation of the identity of the state educational institution or qualified nonprofit corporation; and

(2) direct the school corporation to complete a sale or lease to the state educational institution or qualified nonprofit corporation in accordance with subsection (k).

(i) If one (1) or more:

(1) state educational institutions;

(2) qualified nonprofit corporations; or

(3) state educational institutions and qualified nonprofit corporations;

submit preliminary requests to purchase or lease a covered school building, a selection committee shall be established consisting of one (1) member appointed by the executive of the largest city or town in the county in which the covered school building is located, one (1) member appointed by the city or town council of the largest city or town in the county in which the covered school building is located, one (1) member appointed by the county commissioners of the county in which the covered school building is located, one (1) member appointed by the county council of the county in which the



covered school building is located, and one (1) member appointed by the chamber of commerce of the county in which the covered school building is located.

(j) Not later than sixty (60) days after the date that a member is appointed under subsection (i), the committee shall:

(1) select which qualifying nonprofit corporation or state educational institution may proceed to purchase or lease the covered school building; or

(2) determine if:

(A) more than one (1) state educational institution;

(B) more than one (1) qualified nonprofit corporation; or

(C) a state educational institution and qualified nonprofit corporation;

should co-locate within the covered school building.

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

~~(h)~~ (k) A school corporation shall lease the covered school building for one dollar (\$1) per year to the charter school, ~~or the~~ state educational institution, **or qualified nonprofit corporation** for as long as the:

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

~~or a~~

(2) state educational institution uses the covered school building for an academic purpose; or

(3) **qualified nonprofit corporation uses the covered school building for educational purposes.**

The term of the lease shall be established at the charter school's, ~~or~~ state educational institution's, **or qualified nonprofit corporation's** discretion and include an option for the state educational institution, ~~or~~ charter school, **or qualified nonprofit corporation** to purchase the covered school building for one dollar (\$1). Alternatively, the school corporation shall sell the covered school building to the charter school, ~~or the~~ state educational institution, **or qualified nonprofit corporation** for one dollar (\$1), if the charter school, ~~or the~~ state educational institution, **or qualified nonprofit corporation** has met the requirements set forth in subsection ~~(e)~~ (e) and uses the ~~vacant or unused~~ covered school building in the manner prescribed by this



subsection. **If the charter school, state educational institution, or qualified nonprofit corporation selected to lease or purchase the covered school building has met the requirements under subsection (e), the school corporation has not more than ninety (90) days after the date notice of a final unappealable decision is received by the school corporation to complete the lease or sale of the covered school building to the charter school, state educational institution, or qualified nonprofit corporation. If the transaction is not completed within ninety (90) days, the department or the selected charter school, state educational institution, or qualified nonprofit corporation may, under section 9 of this chapter, request that the attorney general enforce the sale or lease or may file suit to enforce the sale or lease.** If a charter school, or state educational institution, or **qualified nonprofit corporation** has not met the requirements under subsection ~~(c); (e)~~, **(e)**, the school corporation may ~~subject to section 7 of this chapter,~~ 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). ~~and section 8 of this chapter."~~

Delete page 14.

Page 15, delete lines 1 through 32.

Page 15, line 42, delete "school" and insert "school,".

Page 15, line 42, after "school" strike "or".

Page 16, line 1, delete "institution;" and insert "**institution, or qualified nonprofit corporation;**".

Page 16, delete lines 22 through 42, begin a new paragraph and insert:

"SECTION 11. IC 20-26-7.1-5, AS AMENDED BY P.L.155-2021, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 5. (a) If: a school building is sold to a charter school or state educational institution under section 3 or 4 of this chapter and the charter school or the state educational institution, or any subsequent owner, subsequently sells or transfers

(1) a covered school building is sold to a charter school, state educational institution, or qualified nonprofit corporation under section 4 of this chapter; and

(2) the charter school, state educational institution, or qualified nonprofit corporation described in subdivision (1) no longer intends to use the covered school building for the purposes described in section 4(e) of this chapter;

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



covered school building to the charter school, state educational institution, or qualified nonprofit corporation.

(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, state educational institution, or qualified nonprofit corporation may sell or transfer the covered school building to a third party. ~~the~~ If a charter school, or state educational institution, or subsequent owner, or qualified nonprofit corporation sells or transfers a covered school building to a third party under this subsection, the charter school, state educational institution, or qualified nonprofit corporation 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 ~~vacant~~ covered school building to the charter school, or the state educational institution, or qualified nonprofit corporation. 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.

~~(b)~~(c) A charter school, or state educational institution, or qualified nonprofit corporation 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. 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; or
- (3) qualified nonprofit corporation does not use the covered school building for educational purposes;

within two (2) years after acquiring the covered school building, the covered school building shall revert to the school corporation, which may sell or otherwise dispose of the covered school building under IC 36-1-11."

Page 17, delete lines 1 through 6.

Page 17, line 10, delete "school" and insert "school,".

Page 17, line 10, strike "or the".

Page 17, line 10, delete "institution" and insert "institution, or qualified nonprofit corporation".

Page 17, line 17, delete "charter school" and insert "charter school, state educational institution, or qualified nonprofit corporation".

Page 20, delete lines 16 through 42, begin a new line blocked left and insert:

ES 391—LS 7109/DI 51



"the school corporation has had ninety (90) days after the department or state board has issued a final order to complete a sale or lease of the covered school building. If the attorney general does not commence legal action for an injunction to enforce a final order to make a covered school building available for purchase or lease under this chapter within one hundred (100) days after the date the final order was issued, the charter school, state educational institution, or qualified nonprofit corporation that submitted the preliminary notice of interest to acquire or lease the covered school building may file a civil action to enforce this chapter.

~~(d)~~ **(b)** In addition to the remedy under subsection (a), if a school corporation does not comply with the requirements to sell **or lease a vacant covered** school building ~~provided in~~ **under** this chapter, as determined by the attorney general under subsection (a); the school corporation shall submit any proceeds from the sale of the ~~vacant covered~~ school building to the state board, which shall be distributed equally between each charter school located in the attendance area of the school corporation. If no charter schools are located in the attendance area, the state board must use the proceeds to provide grants under the charter school and innovation grant program under IC 20-24-13. The attorney general is authorized to initiate any legal action necessary to ensure compliance with this ~~section.~~ **chapter.**"

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 391 as introduced.)

RAATZ, Chairperson

Committee Vote: Yeas 8, Nays 4.

SENATE MOTION

Madam President: I move that Senate Bill 391 be amended to read as follows:

Page 2, delete lines 38 through 39.

Page 3, line 35, delete "IC 20-26-7.1-3(b), or IC 20-26-7.1-3(c)." and insert "**IC 20-26-7.1-3(b), IC 20-26-7.1-3(c), or IC 20-26-7.1-3(d).**"

Page 5, line 36, delete "school," and insert "**school or**".

ES 391—LS 7109/DI 51



Page 5, line 36, delete "institution, or qualified nonprofit" and insert **"institution"**.

Page 5, line 37, before "that" delete "corporation".

Page 6, line 2, delete "school, state educational institution, or" and insert **"school or state educational institution"**.

Page 6, line 3, delete "qualified nonprofit corporation".

Page 6, line 8, delete "school," and insert **"school or"**.

Page 6, line 9, delete "institution, or qualified nonprofit corporation" and insert **"institution"**.

Page 6, line 10, delete "school," and insert **"school or"**.

Page 6, line 11, delete "institution, or qualified nonprofit corporation" and insert **"institution"**.

Page 8, line 37, delete "school" and insert **"schools"**.

Page 8, line 42, delete "or qualified nonprofit corporation".

Page 9, delete lines 3 through 13.

Page 9, line 29, delete "(b) or (c)," and insert **"(b), (c), or (d),"**.

Page 9, line 37, delete "school," and insert "school".

Page 9, line 37, reset in roman "or".

Page 9, line 38, delete ", or qualified nonprofit corporation".

Page 10, line 7, reset in roman "or".

Page 10, line 8, delete "purpose; or" and insert "purpose.".

Page 10, delete line 9.

Page 10, between lines 30 and 31, begin a new paragraph and insert:

"(d) This section does not apply to a covered school building of a school corporation to which the following apply:

(1) The school corporation had, before January 1, 2023, entered into a lease or memorandum of understanding with a nonprofit organization exempt from federal taxation under Section 501(c)(3) through 501(c)(7) of the Internal Revenue Code for the use of the covered school building.

(2) The lease or memorandum of understanding described in subdivision (1):

(A) continues in effect;

(B) is renewed; or

(C) is replaced by a new lease or memorandum of understanding that is entered into between the school corporation and the nonprofit organization described in subdivision (1).

(3) The nonprofit organization described in subdivision (1) uses the covered school building for an educational purpose throughout the term of any lease or memorandum of understanding.



If at any time the conditions under subdivisions (2) and (3) are not met, the covered school building is subject to IC 20-26-7-47 and this chapter."

Page 10, line 31, delete "(d)" and insert "(e)".

Page 10, line 39, delete "anytime" and insert "**any time**".

Page 11, delete lines 24 through 40, begin a new paragraph and insert:

"(c) The governing body shall do the following:

~~(2)~~ **(1)** Make the **covered** school building available for inspection by a charter school or state educational institution that notifies the department that it is interested in leasing or purchasing the **covered** school building. ~~described under section 3 of this chapter; and~~

~~(3)~~ **(2)** Make the following information available to a charter school or state educational institution described in subdivision ~~(2)~~: **(1)**:

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

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

(C) A legal description of the property."

Page 12, delete lines 16 through 42, begin a new paragraph and insert:

~~(c)~~ **(e)** The school corporation shall lease the **covered** school building to a charter school or state educational institution for one dollar (\$1) per year for as long as the state educational institution uses the **covered school** building for an academic purpose or the charter school uses the **covered** school building for classroom instruction, for a term at the state educational institution's or charter school's discretion, or sell the **covered** school building for one dollar (\$1), if the charter school or state educational institution does the following:

(1) Within ~~thirty (30)~~ **ninety (90)** days of receiving the department's notice under subsection ~~(b); (d)~~, a charter school or state educational institution must submit a preliminary request to purchase or lease the **covered** school building.

(2) Subject to subsection ~~(d); (f)~~, within ninety (90) days of receiving the department's notice under subsection ~~(b); (d)~~, a charter school or state educational institution must submit to the school corporation the following information:



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

(B) A time frame, which may not exceed two (2) 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 ~~vacant or unused~~ **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 ~~the~~ 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.

~~(D) This clause applies to a vacant or unused school building with more than two hundred thousand (200,000) gross square feet. In addition to the information provided in clauses (A) through (C), a charter school shall submit the following:~~

~~(i) The charter school's projected enrollment when all of the grade levels are added.~~

~~(ii) A letter from the charter school's authorizer or prospective authorizer that indicates that the charter school's authorizer or prospective authorizer has reviewed the items described in clauses (B) through (C) and that the projected enrollment of the charter school when all of the grade levels are added or fully implemented will be at least sixty percent (60%) of the maximum annual student enrollment of the school building during the past twenty-five (25) years as validated by records maintained or created by the department."~~

Page 13, delete lines 1 through 38.

Page 16, line 2, delete "or qualified nonprofit corporation".

Page 16, line 6, delete "institution or qualified nonprofit corporation;" and insert "**institution;**".

Page 16, line 9, delete "or qualified nonprofit".

Page 16, line 10, delete "corporation".



Page 16, delete lines 11 through 42, begin a new paragraph and insert:

"(i) If one (1) or more state educational institutions submit preliminary requests to purchase or lease a covered school building, a selection committee shall be established consisting of one (1) member appointed by the executive of the largest city or town in the county in which the covered school building is located, one (1) member appointed by the city or town council of the largest city or town in the county in which the covered school building is located, one (1) member appointed by the county commissioners of the county in which the covered school building is located, one (1) member appointed by the county council of the county in which the covered school building is located, and one (1) member appointed by the chamber of commerce of the county in which the covered school building is located.

(j) Not later than sixty (60) days after the date that a member is appointed under subsection (i), the committee shall:

- (1) select which state educational institution may proceed to purchase or lease the covered school building; or**
- (2) determine whether more than one (1) state educational institution should co-locate within the covered school building.**

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

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

- (1) charter school uses the **covered** school building for classroom instruction for any combination of kindergarten through grade 12; or a**
- (2) state educational institution uses the **covered school** building for an academic purpose.**

The term of the lease shall be established at the charter school's or state educational institution's discretion and include an option for the state educational institution or charter school to purchase the **covered** school building for one dollar (\$1). Alternatively, the school corporation shall sell the **covered** school building to the charter school or ~~the~~ state educational institution for one dollar (\$1), if the charter school or ~~the~~



state educational institution has met the requirements set forth in subsection ~~(e)~~ (e) and uses the ~~vacant or unused~~ **covered** school building in the manner prescribed by this subsection. **If the charter school or state educational institution selected to lease or purchase the covered school building has met the requirements under subsection (e), the school corporation has not more than ninety (90) days after the date notice of a final unappealable decision is received by the school corporation to complete the lease or sale of the covered school building to the charter school or state educational institution. If the transaction is not completed within ninety (90) days, the department or the selected charter school or state educational institution may, under section 9 of this chapter, request that the attorney general enforce the sale or lease or may file suit to enforce the sale or lease.** If a charter school or state educational institution has not met the requirements under subsection ~~(e); (e)~~, the school corporation may ~~subject to section 7 of this chapter;~~ 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).** ~~and section 8 of this chapter:".~~

Delete page 17.

Page 18, line 10, delete "school, or" and insert "school or".

Page 18, line 11, delete ", or qualified nonprofit corporation;" and insert ";

Page 18, line 16, after "IC 20-25-4-14" insert ",."

Page 18, delete lines 32 through 42, begin a new paragraph and insert:

"SECTION 11. IC 20-26-7.1-5, AS AMENDED BY P.L.155-2021, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 5. (a) ~~If: a school building is sold to a charter school or state educational institution under section 3 or 4 of this chapter and the charter school or the state educational institution, or any subsequent owner, subsequently sells or transfers~~

(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(e) 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. ~~the~~ If a charter school or state educational institution or subsequent owner, 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 ~~vacant~~ covered school building to the charter school or the 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.

~~(b)~~ (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. 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) years after acquiring the covered school building, the covered school building shall revert to the school corporation, which may sell or otherwise dispose of the covered school building under IC 36-1-11."

Page 19, delete lines 1 through 38.

Page 19, line 42, delete "school," and insert "school".

Page 19, line 42, reset in roman "or".

Page 19, line 42, delete "institution, or" and insert "institution".

Page 20, line 1, delete "qualified nonprofit corporation".

Page 20, line 8, after "charter" delete "school," and insert "school or".

Page 20, line 9, delete "institution, or qualified nonprofit corporation" and insert "institution".

Page 23, line 14, delete "school," and insert "school or".

Page 23, line 15, delete "institution, or qualified nonprofit corporation" and insert "institution".

Renumber all SECTIONS consecutively.



(Reference is to SB 391 as printed February 24, 2023.)

ROGERS

COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred Senate Bill 391, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 5-1.5-1-8, AS AMENDED BY P.L.81-2020, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 8. "Qualified entity" means:

- (1) a political subdivision (as defined in IC 36-1-2-13);
- (2) a state educational institution;
- (3) a leasing body (as defined in IC 5-1-1-1(a));
- (4) a not-for-profit utility (as defined in IC 8-1-2-125);
- (5) any rural electric membership corporation organized under IC 8-1-13;
- (6) any corporation that was organized in 1963 under Acts 1935, c. 157 and that engages in the generation and transmission of electric energy;
- (7) any communications cooperative corporation formed under IC 8-1-17;
- (8) any commission, authority, or authorized body of any qualified entity;
- (9) any organization, association, or trust with members, participants, or beneficiaries that are all individually qualified entities;
- (10) any commission, authority, or instrumentality of the state;
- (11) any other participant (as defined in IC 5-1.2-2-54);
- (12) a charter school established under IC 20-5.5 (before its repeal) or IC 20-24; ~~that is not a qualified entity under IC 5-1.4-1-10;~~
- (13) a volunteer fire department (as defined in IC 36-8-12-2); or
- (14) a development authority (as defined in IC 36-7.6-1-8).

SECTION 2. IC 20-18-2-16, AS AMENDED BY P.L.211-2019, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

ES 391—LS 7109/DI 51



JULY 1, 2023]: Sec. 16. (a) "School corporation", for purposes of this title (except IC 20-20-33, IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 20-26-7.1 **(before its expiration)**, IC 20-28-11.5, IC 20-30-8, IC 20-30-16, IC 20-43, and IC 20-50), means a public school corporation established by Indiana law. The term includes a:

- (1) school city;
- (2) school town;
- (3) consolidated school corporation;
- (4) metropolitan school district;
- (5) township school corporation;
- (6) county school corporation;
- (7) united school corporation; or
- (8) community school corporation.

(b) "School corporation", for purposes of IC 20-26-1 through IC 20-26-5, IC 20-26-7, and IC 20-26-7.1 **(before its expiration)**, has the meaning set forth in IC 20-26-2-4.

(c) "School corporation", for purposes of IC 20-20-33, IC 20-26.5, IC 20-30-8, and IC 20-50, includes a charter school (as defined in IC 20-24-1-4).

(d) "School corporation", for purposes of IC 20-43, has the meaning set forth in IC 20-43-1-23.

(e) "School corporation", for purposes of IC 20-28-11.5, has the meaning set forth in IC 20-28-11.5-3.

(f) "School corporation", for purposes of IC 20-35, has the meaning set forth in IC 20-35-1-6.

(g) "School corporation", for purposes of IC 20-30-16, has the meaning set forth in IC 20-30-16-4.

SECTION 3. IC 20-20-13-7, AS AMENDED BY P.L.244-2017, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 7. (a) Notwithstanding any other law, a:

(1) school corporation is ~~not entitled to:~~ may not:

- (~~1~~) **(A)** receive any money under this chapter;
- (~~2~~) **(B)** use money from the school corporation's education fund for educational technology equipment under IC 20-40-2; or
- (~~3~~) **(C)** receive an advance from the common school fund for an educational technology program under IC 20-49-4; **and**

(2) charter school may not receive:

- (A) a technology plan grant under sections 13 through 24 of this chapter; or**
- (B) an advance from the common school fund for an educational technology program under IC 20-49-4;**



unless the school corporation **or charter school** develops a three (3) year technology plan.

(b) Each technology plan must include at least the following information:

- (1) A description of the school corporation's **or charter school's** intent to integrate technology into the school corporation's **or charter school's** curriculum.
- (2) A plan for providing inservice training.
- (3) A schedule for maintaining and replacing educational technology equipment.
- (4) A description of the criteria used to select the appropriate educational technology equipment for the appropriate use.
- (5) Other information requested by the department after consulting with the budget agency.

(c) The department shall develop guidelines concerning the development of technology plans. The guidelines developed under this subsection are subject to the approval of the governor.

SECTION 4. IC 20-24-4-1, AS AMENDED BY P.L.211-2021, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 1. (a) A charter must meet the following requirements:

- (1) Be a written instrument.
- (2) Be executed by an authorizer and an organizer.
- (3) Confer certain rights, franchises, privileges, and obligations on a charter school.
- (4) Confirm the status of a charter school as a public school.
- (5) Subject to subdivision (6)(E), be granted for:
 - (A) not less than three (3) years or more than ~~seven (7)~~ **fifteen (15)** years; and
 - (B) a fixed number of years agreed to by the authorizer and the organizer.
- (6) Provide for the following:
 - (A) A review by the authorizer of the charter school's performance, including the progress of the charter school in achieving the academic goals set forth in the charter, at least one (1) time in each five (5) year period while the charter is in effect.
 - (B) Renewal, if the authorizer and the organizer agree to renew the charter.
 - (C) The renewal application must include guidance from the authorizer, and the guidance must include the performance criteria that will guide the authorizer's renewal decisions.



(D) The renewal application process must, at a minimum, provide an opportunity for the charter school to:

- (i) present additional evidence, beyond the data contained in the performance report, supporting its case for charter renewal;
- (ii) describe improvements undertaken or planned for the charter school; and
- (iii) detail the charter school's plans for the next charter term.

(E) Not later than the end of the calendar year in which the charter school seeks renewal of a charter, the governing board of a charter school seeking renewal shall submit a renewal application to the charter authorizer under the renewal application guidance issued by the authorizer. The authorizer shall make a final ruling on the renewal application not later than April 1 after the filing of the renewal application. A renewal granted under this clause is not subject to the three (3) year minimum described in subdivision (5). The April 1 deadline does not apply to any review or appeal of a final ruling. After the final ruling is issued, the charter school may obtain further review by the authorizer of the authorizer's final ruling in accordance with the terms of the charter school's charter and the protocols of the authorizer.

(7) Specify the grounds for the authorizer to:

- (A) revoke the charter before the end of the term for which the charter is granted; or
- (B) not renew a charter.

(8) Set forth the methods by which the charter school will be held accountable for achieving the educational mission and goals of the charter school, including the following:

- (A) Evidence of improvement in:
 - (i) assessment measures, including the statewide assessment program measures;
 - (ii) attendance rates;
 - (iii) graduation rates (if appropriate);
 - (iv) increased numbers of Indiana diplomas with a Core 40 designation and other college and career ready indicators including advanced placement participation and passage, dual credit participation and passage, and International Baccalaureate participation and passage (if appropriate);
 - (v) increased numbers of Indiana diplomas with Core 40 with academic honors and technical honors designations (if



- appropriate);
- (vi) student academic growth;
 - (vii) financial performance and stability; and
 - (viii) governing board performance and stewardship, including compliance with applicable laws, rules and regulations, and charter terms.
- (B) Evidence of progress toward reaching the educational goals set by the organizer.
- (9) Describe the method to be used to monitor the charter school's:
- (A) compliance with applicable law; and
 - (B) performance in meeting targeted educational performance.
- (10) Specify that the authorizer and the organizer may amend the charter during the term of the charter by mutual consent and describe the process for amending the charter.
- (11) Describe specific operating requirements, including all the matters set forth in the application for the charter.
- (12) Specify a date when the charter school will:
- (A) begin school operations; and
 - (B) have students attending the charter school.
- (13) Specify that records of a charter school relating to the school's operation and charter are subject to inspection and copying to the same extent that records of a public school are subject to inspection and copying under IC 5-14-3.
- (14) Specify that records provided by the charter school to the department or authorizer that relate to compliance by the organizer with the terms of the charter or applicable state or federal laws are subject to inspection and copying in accordance with IC 5-14-3.
- (15) Specify that the charter school is subject to the requirements of IC 5-14-1.5.
- (16) This subdivision applies to a charter established or renewed for an adult high school after June 30, 2014. The charter must require:
- (A) that the school will offer flexible scheduling;
 - (B) that students will not complete the majority of instruction of the school's curriculum online or through remote instruction;
 - (C) that the school will offer dual credit or industry certification course work that aligns with career pathways as recommended by the Indiana career council established by IC 22-4.5-9-3 (expired); and



(D) a plan:

- (i) to support successful program completion and to assist transition of graduates to the workforce or to a postsecondary education upon receiving a diploma from the adult high school; and
- (ii) to review individual student accomplishments and success after a student receives a diploma from the adult high school.

(b) A charter school shall set annual performance targets in conjunction with the charter school's authorizer. The annual performance targets shall be designed to help each school meet applicable federal, state, and authorizer expectations.

SECTION 5. IC 20-24-7-6, AS AMENDED BY P.L.154-2020, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 6. (a) With the approval of a majority of the members of the governing body, a school corporation may distribute a proportionate share of the school corporation's operations fund to a charter school. A charter school may elect to distribute a proportionate share of the charter school's operations fund to the school corporation in whose district the charter school is located.

(b) **Except as provided in IC 20-46-1-21 and IC 20-46-9-22**, a governing body may distribute money that is received as part of a tax levy collected under IC 20-46-1 from the school corporation's education fund to a charter school, excluding a virtual charter school, in the manner provided by ~~IC 20-46-1-8(d)~~. **IC 20-46-1-8(e)**.

(c) **Except as provided in IC 20-46-1-21 and IC 20-46-9-22**, a governing body may distribute money from the school safety referendum tax levy fund to a charter school, excluding a virtual charter school, in the manner prescribed by IC 20-46-9-6(b).

SECTION 6. IC 20-24-7-6.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: **Sec. 6.2. (a) This section applies to a levy resulting from a resolution to place a referendum on the ballot adopted by the governing body under IC 20-46-1-8, IC 20-46-1-8.5, IC 20-46-9-6, or IC 20-46-9-7 after June 30, 2023, for counties described in IC 20-46-1-21(a) and IC 20-46-9-22(a).**

(b) **The county auditor in the county in which the applicable school corporation is located shall distribute money that is received as part of a tax levy collected under IC 20-46-1 to an applicable charter school, excluding a virtual charter school, in the manner provided by IC 20-46-1-21.**

(c) **The county auditor in the county in which the applicable**



school corporation is located shall distribute money that is received as part of a tax levy collected under IC 20-46-9 to an applicable charter school, excluding a virtual charter school, in the manner prescribed by IC 20-46-9-22.

(d) A charter school that may receive money from a school corporation's tax levy collected under IC 20-46-1 or a school safety referendum tax levy under IC 20-46-9 may not promote a position on a referendum in the same manner as a school corporation is prohibited from promoting a position on a referendum under IC 20-46-1-20.

(e) If a charter school receives a distribution from a school corporation from the school corporation's tax levy collected under IC 20-46-1 or a school safety referendum tax levy under IC 20-46-9, the charter school must post the following on the charter school's website:

- (1) The specific purposes for which the revenue received from the tax levy will be used.
- (2) An estimate of the annual dollar amounts that will be expended for each purpose described in subdivision (1).

SECTION 7. IC 20-24-13-1, AS ADDED BY P.L.213-2015, SECTION 162, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 1. (a) This chapter applies to the following:

- (1) A charter school. ~~that does not receive a pro rata share of local property tax revenue.~~
- (2) An innovation network school located in a school city, as defined in IC 20-25-2-12, that existed on January 1, 2015 ~~that does not receive a pro rata share of local property tax revenue~~ (referred to as an innovation network school in this chapter).

(b) This chapter does not apply to a virtual charter school or an adult high school.

SECTION 8. IC 20-24-13-2, AS ADDED BY P.L.213-2015, SECTION 162, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 2. As used in this chapter, "~~school~~" "**eligible school**" refers to a charter school or an innovation network school described in section ~~1(a)(2)~~ **1(a)** of this chapter **that is eligible for a grant under this chapter.**

SECTION 9. IC 20-24-13-3, AS AMENDED BY P.L.244-2017, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 3. (a) An annual grant program is established to provide funding to ~~a~~ **an eligible** school for ~~the following:~~

- ~~(+)~~ capital improvements for the **eligible** school, including the



renovation or expansion of a facility, or for debt or lease payments owed on a facility, including advances from the common school fund under IC 20-49-9.

(2) ~~The purposes for which the school corporation's operations fund may be used by a school corporation under IC 20-40-18:~~

(3) ~~The purposes for which a technology grant from the Senator David C. Ford educational technology fund may be used by a school corporation under IC 20-20-13-6:~~

(b) The program shall be administered by the state board.

(c) The state board shall establish a written application and procedure for providing grants under this chapter to ~~a~~ **an eligible** school described in section 5 of this chapter.

SECTION 10. IC 20-24-13-4, AS ADDED BY P.L.213-2015, SECTION 162, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 4. The state board shall, without an application being made, make an annual grant to ~~a~~ **an eligible** school if the school is one (1) of the following:

(1) A charter school in its first or second year of operation.

(2) A charter school that was placed in the "A", "B", or "C" category or designation of performance established under IC 20-31-8-3 for the most recently completed school year.

(3) A charter school that does not receive a category or designation of performance established under IC 20-31-8-3 for the most recently completed school year.

(4) A school that has a majority of students with developmental, intellectual, or behavioral challenges.

(5) An innovation network school described in section 1(a)(2) of this chapter.

SECTION 11. IC 20-24-13-6 IS REPEALED [EFFECTIVE JULY 1, 2023]. Sec. 6: ~~The annual grant amount for a school for a state fiscal year is the following:~~

(1) ~~For the state fiscal year beginning July 1, 2021:~~

(A) ~~one thousand dollars (\$1,000); multiplied by~~

(B) ~~the number of eligible pupils who are counted in the current ADM of the school.~~

(2) ~~For the state fiscal year beginning July 1, 2022, and each state fiscal year thereafter:~~

(A) ~~one thousand two hundred fifty dollars (\$1,250); multiplied by~~

(B) ~~the number of eligible pupils who are counted in the current ADM of the school.~~

SECTION 12. IC 20-24-13-7 IS ADDED TO THE INDIANA



CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 7. (a) Except as provided in subsection (b) and subject to subsection (c), the annual grant amount for an eligible school for each state fiscal year is equal to the last STEP of the following formula:

STEP ONE: Determine the total amount of money appropriated for the current state fiscal year by the general assembly for the annual grant program established by section 3 of this chapter.

STEP TWO: Determine the total ADM in the fall count of the current state fiscal year for all eligible schools in Indiana, including eligible schools described in subsection (b).

STEP THREE: Divide the amount determined under STEP ONE by the number determined under STEP TWO. If the quotient is not a whole number, round the quotient down to the nearest whole number.

STEP FOUR: For each school corporation in which an eligible school is located, determine the quotient of the:

(A) total sum of the amount of all:

(i) revenue and allocations received in the immediately preceding state fiscal year in the debt service levy fund established by the school corporation under IC 20-46-7; plus

(ii) revenue and allocations that are deposited under IC 20-40-19-2 into the school corporation's referendum controlled project tax levy fund during the immediately preceding state fiscal year; divided by

(B) the school corporation's fall count of ADM for the immediately preceding state fiscal year.

If the quotient is not a whole number, round the quotient down to the nearest whole number.

STEP FIVE: Determine the following for each eligible school:

(A) If the STEP THREE result is equal to or less than the STEP FOUR result for the school corporation in which the eligible school is located, multiply the STEP THREE result by the fall count of ADM of the eligible school for the current state fiscal year.

(B) If the STEP THREE result is greater than the STEP FOUR result for the school corporation in which the eligible school is located, multiply the STEP FOUR result by the fall count of ADM of the eligible school for the current state fiscal year.



(b) Except as provided under subsection (c), for an eligible school that has entered into an agreement with a school corporation to participate as an innovation network charter school under IC 20-25.7-5 for a state fiscal year, the annual grant amount for the eligible school for each state fiscal year is equal to the last STEP of the following formula:

STEP ONE: Determine the total amount of money appropriated for the current state fiscal year by the general assembly for the annual grant program established by section 3 of this chapter.

STEP TWO: Determine the total ADM in the fall count of the current state fiscal year for all eligible schools in Indiana, including eligible schools described in subsection (a).

STEP THREE: Divide the amount determined under STEP ONE by the number determined under STEP TWO. If the quotient is not a whole number, round the quotient down to the nearest whole number.

STEP FOUR: Determine, for the current and immediately preceding state fiscal year, the:

(A) school corporation's fall count of ADM; minus

(B) fall count of ADM for all eligible schools that have entered into an agreement with the school corporation to participate as an innovation network charter school under IC 20-25.7-5 for a state fiscal year.

STEP FIVE: Determine the fall count of ADM for each eligible school described in clause (B) of STEP FOUR for the current state fiscal year.

STEP SIX: For each school corporation in which an eligible school is located, determine the quotient of the:

(A) total sum of the amount of all:

(i) revenue and allocations received in the immediately preceding state fiscal year in the debt service levy fund established by the school corporation under IC 20-46-7; plus

(ii) revenue and allocations that are deposited under IC 20-40-19-2 into the school corporation's referendum controlled project tax levy fund during the immediately preceding state fiscal year; divided by

(B) the STEP FOUR result for the immediately preceding state fiscal year.

If the quotient is not a whole number, round the quotient down to the nearest whole number.



STEP SEVEN: Determine the following for each eligible school:

(A) If the STEP THREE result is equal to or less than the STEP SIX result for the school corporation in which the eligible school is located, multiply the STEP THREE result by the STEP FIVE result for the current state fiscal year.

(B) If the STEP THREE result is greater than the STEP SIX result for the school corporation in which the eligible school is located, multiply the STEP SIX result by the STEP FIVE result for the current state fiscal year.

(c) If an eligible school is a participating innovation network charter school that:

(1) was established before January 1, 2016; and

(2) for the current school year has a complexity index that is greater than the complexity index for the school corporation that the innovation network charter school has contracted with;

the annual grant amount for the eligible school for each state fiscal year is equal to the amount determined under the formula in subsection (a).

SECTION 13. IC 20-25-4-14, AS AMENDED BY P.L.270-2019, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 14. (a) Except as provided in IC 20-26-7.1 **(before its expiration)**, a school city may:

(1) sell real estate;

(2) transfer personal property; and

(3) execute deeds of conveyance and instruments of transfer with or without covenants of warranty;

if, in the opinion of the board, the real estate or personal property cannot be advantageously used for school or library purposes and can be sold for its fair cash value.

(b) A determination by the board that real estate or personal property cannot be advantageously used under subsection (a) must be entered into the record of the minutes of the school city's board.

SECTION 14. IC 20-25.7-5-2, AS AMENDED BY P.L.165-2021, SECTION 153, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 2. (a) The board may enter into an agreement with an organizer to reconstitute an eligible school as a participating innovation network charter school or to establish a participating innovation network charter school at a location selected by the board within the boundary of the school corporation. Notwithstanding IC 20-26-7.1 **(before its expiration)**, a participating



innovation network charter school may be established within a vacant school building.

(b) The terms of the agreement entered into between the board 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 when calculating the school corporation's performance assessment under rules adopted by the state board.

(2) The amount of state funding, including tuition support (if the participating innovation network charter school is treated in the same manner as a school operated by the school corporation under subsection (d)(2)), and money levied as property taxes that will be distributed by the school corporation to the organizer.

(3) The performance goals and accountability metrics agreed upon for the charter school in the charter agreement between the organizer and the authorizer.

(c) If an organizer and the 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 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 when calculating the school corporation's performance assessment under rules adopted by the state board;

(2) the department shall treat the participating innovation network charter school in the same manner as a school operated by the school corporation when calculating the total amount of state funding to be distributed to the school corporation unless subsection (e) applies; and

(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 6.2-10-10 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, 2023.

SECTION 15. IC 20-26-1-1, AS AMENDED BY P.L.270-2019, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 1. Except as otherwise provided, IC 20-26-1 through IC 20-26-5, IC 20-26-7, and IC 20-26-7.1 (**before its expiration**) apply to all school corporations.

SECTION 16. IC 20-26-2-1, AS AMENDED BY P.L.270-2019, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 1. Notwithstanding IC 20-18-2, the definitions in this chapter apply in IC 20-26-1 through IC 20-26-5, IC 20-26-7, and IC 20-26-7.1 (**before its expiration**).

SECTION 17. IC 20-26-5-4, AS AMENDED BY P.L.270-2019, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 4. (a) In carrying out the school purposes of a school corporation, the governing body acting on the school corporation's behalf has the following specific powers:

- (1) In the name of the school corporation, to sue and be sued and to enter into contracts in matters permitted by applicable law. However, a governing body may not use funds received from the state to bring or join in an action against the state, unless the governing body is challenging an adverse decision by a state agency, board, or commission.
- (2) To take charge of, manage, and conduct the educational affairs of the school corporation and to establish, locate, and provide the necessary schools, school libraries, other libraries where permitted by law, other buildings, facilities, property, and equipment.
- (3) To appropriate from the school corporation's general fund (before January 1, 2019) or the school corporation's operations fund (after December 31, 2018) an amount, not to exceed the greater of three thousand dollars (\$3,000) per budget year or one dollar (\$1) per pupil, not to exceed twelve thousand five hundred dollars (\$12,500), based on the school corporation's ADM of the previous year (as defined in IC 20-43-1-7) to promote the best interests of the school corporation through:
 - (A) the purchase of meals, decorations, memorabilia, or awards;



- (B) provision for expenses incurred in interviewing job applicants; or
 - (C) developing relations with other governmental units.
- (4) To do the following:
- (A) Acquire, construct, erect, maintain, hold, and contract for construction, erection, or maintenance of real estate, real estate improvements, or an interest in real estate or real estate improvements, as the governing body considers necessary for school purposes, including buildings, parts of buildings, additions to buildings, rooms, gymnasiums, auditoriums, playgrounds, playing and athletic fields, facilities for physical training, buildings for administrative, office, warehouse, repair activities, or housing school owned buses, landscaping, walks, drives, parking areas, roadways, easements and facilities for power, sewer, water, roadway, access, storm and surface water, drinking water, gas, electricity, other utilities and similar purposes, by purchase, either outright for cash (or under conditional sales or purchase money contracts providing for a retention of a security interest by the seller until payment is made or by notes where the contract, security retention, or note is permitted by applicable law), by exchange, by gift, by devise, by eminent domain, by lease with or without option to purchase, or by lease under IC 20-47-2, IC 20-47-3, or IC 20-47-5.
 - (B) Repair, remodel, remove, or demolish, or to contract for the repair, remodeling, removal, or demolition of the real estate, real estate improvements, or interest in the real estate or real estate improvements, as the governing body considers necessary for school purposes.
 - (C) Provide for conservation measures through utility efficiency programs or under a guaranteed savings contract as described in IC 36-1-12.5.
- (5) To acquire personal property or an interest in personal property as the governing body considers necessary for school purposes, including buses, motor vehicles, equipment, apparatus, appliances, books, furniture, and supplies, either by cash purchase or under conditional sales or purchase money contracts providing for a security interest by the seller until payment is made or by notes where the contract, security, retention, or note is permitted by applicable law, by gift, by devise, by loan, or by lease with or without option to purchase and to repair, remodel, remove, relocate, and demolish the personal property. All purchases and



contracts specified under the powers authorized under subdivision (4) and this subdivision are subject solely to applicable law relating to purchases and contracting by municipal corporations in general and to the supervisory control of state agencies as provided in section 6 of this chapter.

(6) To sell or exchange real or personal property or interest in real or personal property that, in the opinion of the governing body, is not necessary for school purposes, in accordance with IC 20-26-7 and IC 20-26-7.1 **(before its expiration)**, to demolish or otherwise dispose of the property if, in the opinion of the governing body, the property is not necessary for school purposes and is worthless, and to pay the expenses for the demolition or disposition.

(7) To lease any school property for a rental that the governing body considers reasonable or to permit the free use of school property for:

(A) civic or public purposes; or

(B) the operation of a school age child care program for children who are at least five (5) years of age and less than fifteen (15) years of age that operates before or after the school day, or both, and during periods when school is not in session; if the property is not needed for school purposes. Under this subdivision, the governing body may enter into a long term lease with a nonprofit corporation, community service organization, or other governmental entity, if the corporation, organization, or other governmental entity will use the property to be leased for civic or public purposes or for a school age child care program. However, if payment for the property subject to a long term lease is made from money in the school corporation's debt service fund, all proceeds from the long term lease must be deposited in the school corporation's debt service fund so long as payment for the property has not been made. The governing body may, at the governing body's option, use the procedure specified in IC 36-1-11-10 in leasing property under this subdivision.

(8) To do the following:

(A) Employ, contract for, and discharge superintendents, supervisors, principals, teachers, librarians, athletic coaches (whether or not they are otherwise employed by the school corporation and whether or not they are licensed under IC 20-28-5), business managers, superintendents of buildings and grounds, janitors, engineers, architects, physicians, dentists, nurses, accountants, teacher aides performing



noninstructional duties, educational and other professional consultants, data processing and computer service for school purposes, including the making of schedules, the keeping and analyzing of grades and other student data, the keeping and preparing of warrants, payroll, and similar data where approved by the state board of accounts as provided below, and other personnel or services as the governing body considers necessary for school purposes.

(B) Fix and pay the salaries and compensation of persons and services described in this subdivision that are consistent with IC 20-28-9-1.5.

(C) Classify persons or services described in this subdivision and to adopt a compensation plan with a salary range that is consistent with IC 20-28-9-1.5.

(D) Determine the number of the persons or the amount of the services employed or contracted for as provided in this subdivision.

(E) Determine the nature and extent of the duties of the persons described in this subdivision.

The compensation, terms of employment, and discharge of teachers are, however, subject to and governed by the laws relating to employment, contracting, compensation, and discharge of teachers. The compensation, terms of employment, and discharge of bus drivers are subject to and governed by laws relating to employment, contracting, compensation, and discharge of bus drivers.

(9) Notwithstanding the appropriation limitation in subdivision (3), when the governing body by resolution considers a trip by an employee of the school corporation or by a member of the governing body to be in the interest of the school corporation, including attending meetings, conferences, or examining equipment, buildings, and installation in other areas, to permit the employee to be absent in connection with the trip without any loss in pay and to reimburse the employee or the member the employee's or member's reasonable lodging and meal expenses and necessary transportation expenses. To pay teaching personnel for time spent in sponsoring and working with school related trips or activities.

(10) Subject to IC 20-27-13, to transport children to and from school, when in the opinion of the governing body the transportation is necessary, including considerations for the safety of the children. The transportation must be otherwise in



accordance with applicable law.

(11) To provide a lunch program for a part or all of the students attending the schools of the school corporation, including the establishment of kitchens, kitchen facilities, kitchen equipment, lunch rooms, the hiring of the necessary personnel to operate the lunch program, and the purchase of material and supplies for the lunch program, charging students for the operational costs of the lunch program, fixing the price per meal or per food item. To operate the lunch program as an extracurricular activity, subject to the supervision of the governing body. To participate in a surplus commodity or lunch aid program.

(12) To purchase curricular materials, to furnish curricular materials without cost or to rent curricular materials to students, and to participate in a curricular materials aid program, all in accordance with applicable law.

(13) To accept students transferred from other school corporations and to transfer students to other school corporations in accordance with applicable law.

(14) To make budgets, to appropriate funds, and to disburse the money of the school corporation in accordance with applicable law. To borrow money against current tax collections and otherwise to borrow money, in accordance with IC 20-48-1.

(15) To purchase insurance or to establish and maintain a program of self-insurance relating to the liability of the school corporation or the school corporation's employees in connection with motor vehicles or property and for additional coverage to the extent permitted and in accordance with IC 34-13-3-20. To purchase additional insurance or to establish and maintain a program of self-insurance protecting the school corporation and members of the governing body, employees, contractors, or agents of the school corporation from liability, risk, accident, or loss related to school property, school contract, school or school related activity, including the purchase of insurance or the establishment and maintenance of a self-insurance program protecting persons described in this subdivision against false imprisonment, false arrest, libel, or slander for acts committed in the course of the persons' employment, protecting the school corporation for fire and extended coverage and other casualty risks to the extent of replacement cost, loss of use, and other insurable risks relating to property owned, leased, or held by the school corporation. In accordance with IC 20-26-17, to:

(A) participate in a state employee health plan under



IC 5-10-8-6.7;

(B) purchase insurance; or

(C) establish and maintain a program of self-insurance; to benefit school corporation employees, including accident, sickness, health, or dental coverage, provided that a plan of self-insurance must include an aggregate stop-loss provision.

(16) To make all applications, to enter into all contracts, and to sign all documents necessary for the receipt of aid, money, or property from the state, the federal government, or from any other source.

(17) To defend a member of the governing body or any employee of the school corporation in any suit arising out of the performance of the member's or employee's duties for or employment with, the school corporation, if the governing body by resolution determined that the action was taken in good faith. To save any member or employee harmless from any liability, cost, or damage in connection with the performance, including the payment of legal fees, except where the liability, cost, or damage is predicated on or arises out of the bad faith of the member or employee, or is a claim or judgment based on the member's or employee's malfeasance in office or employment.

(18) To prepare, make, enforce, amend, or repeal rules, regulations, and procedures:

(A) for the government and management of the schools, property, facilities, and activities of the school corporation, the school corporation's agents, employees, and pupils and for the operation of the governing body; and

(B) that may be designated by an appropriate title such as "policy handbook", "bylaws", or "rules and regulations".

(19) To ratify and approve any action taken by a member of the governing body, an officer of the governing body, or an employee of the school corporation after the action is taken, if the action could have been approved in advance, and in connection with the action to pay the expense or compensation permitted under IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 20-40-12, and IC 20-48-1 or any other law.

(20) To exercise any other power and make any expenditure in carrying out the governing body's general powers and purposes provided in this chapter or in carrying out the powers delineated in this section which is reasonable from a business or educational standpoint in carrying out school purposes of the school corporation, including the acquisition of property or the



employment or contracting for services, even though the power or expenditure is not specifically set out in this chapter. The specific powers set out in this section do not limit the general grant of powers provided in this chapter except where a limitation is set out in IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 20-40-12, IC 20-40-18 (after December 31, 2018), and IC 20-48-1 by specific language or by reference to other law.

(b) A superintendent hired under subsection (a)(8):

(1) is not required to hold a teacher's license under IC 20-28-5; and

(2) is required to have obtained at least a master's degree from an accredited postsecondary educational institution.

SECTION 18. IC 20-26-5-12, AS AMENDED BY P.L.270-2019, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 12. Except for IC 20-26-4-1, IC 20-26-4-4, and IC 20-26-4-5, the powers given each school corporation in IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 20-40-12, and IC 20-48-1 and the limitations on those powers set out in IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 20-26-7.1 (**before its expiration**), IC 20-40-12, and IC 20-48-1 may not be construed to limit the authority of the governing body given by any other statute or rule.

SECTION 19. IC 20-26-7-1, AS AMENDED BY P.L.270-2019, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 1. (a) Except as otherwise provided in IC 20-26-7.1 (**before its expiration**), if a governing body of a school corporation determines that any real or personal property:

(1) is no longer needed for school purposes; or

(2) should, in the interests of the school corporation, be exchanged for other property;

the governing body may sell or exchange the property in accordance with IC 36-1-11.

(b) Money derived from the sale or exchange of property under this section shall be placed in the school corporation's operations fund.

(c) A governing body may not enter into a lease agreement or make a covenant that prohibits the sale of real property to another educational institution."

Page 1, delete lines 1 through 17.

Delete pages 2 through 8.

Page 9, delete lines 1 through 5, begin a new paragraph and insert:

"SECTION 8. IC 20-26-7.1-3, AS AMENDED BY P.L.155-2021, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 3. (a) This subsection applies to any school



building that is owned by a school corporation or any other entity that is related in any way to, or created by, the school corporation or the governing body, including but not limited to a building corporation, and that has at any time been used for classroom instruction. Except as provided in subsection (b)(1), before a governing body may sell, exchange, lease, demolish, hold without operating, or dispose of a school building, a governing body shall do the following:

(1) This subdivision applies after June 30, 2021. The governing body shall obtain a certification from the attorney general's office under section 8.5 of this chapter.

(2) The governing body shall make available for lease or purchase by a charter school or, after June 30, 2021, a state educational institution any school building 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, including but not limited to a building corporation, that:

(A) is vacant or ~~unused~~; **is not used in whole or in part for classroom instruction**; and

(B) was previously used for classroom instruction;

in order for the charter school to conduct kindergarten through grade 12 classroom instruction or to be used by a state educational institution for an academic purpose.

(b) The following are not required to comply with this chapter:

(1) A governing body that vacates a school building in order to:

(A) renovate the school building for future use by the school corporation; or

(B) demolish the school building and build a new school building on the same site as the demolished building.

(2) An emergency manager of a distressed school corporation under IC 6-1.1-20.3.

(3) The governing body of the School City of East Chicago school corporation for the Carrie Gosch Elementary School building.

(c) Notwithstanding subsection (a), a lease entered into by a governing body under IC 20-26-5-4(a)(7) prior to January 1, 2019, with a state accredited nonpublic school shall remain in full force and effect. In addition, the governing body may, during or at the expiration of the term of such lease, sell the school building leased under IC 20-26-5-4(a)(7) to the nonpublic school at a purchase price mutually agreed to by the governing body and the nonpublic school."

Page 9, delete lines 6 through 42.

Page 10, delete lines 1 through 39, begin a new paragraph and insert:

ES 391—LS 7109/DI 51



"SECTION 9. IC 20-26-7.1-4, AS AMENDED BY P.L.155-2021, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 4. (a) Not later than ten (10) days after passing a resolution or taking other official action to close, no longer use, or no longer occupy a school building that was previously used for classroom instruction under section 3 of this chapter, the governing body shall:

- (1) notify the department of the official action and the effective date that the school building will be closed, no longer used, or no longer occupied;
- (2) make the school building available for inspection by a charter school or state educational institution that notifies the department that it is interested in leasing or purchasing the school building described under section 3 of this chapter; and
- (3) make the following information available to a charter school or state educational institution described in subdivision (2):
 - (A) Estimates of the operating expenses for the school building for the past three (3) years.
 - (B) Written information regarding the condition of the building, including the age of the roof and the HVAC system, and any known conditions which, in the governing body's opinion, require prompt repair or replacement.
 - (C) A legal description of the property.

(b) Within five (5) days of receiving notice under subsection (a)(1), the department shall provide written notification to each state educational institution, charter school authorizer (excluding school corporation authorizers as defined in IC 20-24-1-2.5(1)), and statewide organizations representing charter schools in Indiana of the school corporation's resolution or official action described in subsection (a), including the date when the school building will close, no longer be used, or become vacant.

(c) The school corporation shall lease the school building to a charter school or state educational institution for one dollar (\$1) per year for as long as the state educational institution uses the building for an academic purpose or the charter school uses the school building for classroom instruction, for a term at the state educational institution's or charter school's discretion, or sell the school building for one dollar (\$1), if the charter school or state educational institution does the following:

- (1) Within thirty (30) days of receiving the department's notice under subsection (b), a charter school or state educational institution must submit a preliminary request to purchase or lease the school building.



(2) Subject to subsection (d), within ninety (90) days of receiving the department's notice under subsection (b), a charter school or state educational institution must submit to the school corporation the following information:

(A) The name of the charter school or state educational institution that is interested in leasing or purchasing the ~~vacant or unused~~ school building **that is vacant or is not used in whole or in part for classroom instruction.**

(B) A time frame, which may not exceed two (2) years from the date that the 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 ~~vacant or unused~~ school building **that is vacant or is not used in whole or in part for classroom instruction;** or

(ii) state educational institution intends to begin using the 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 the state educational institution has determined that, after the charter school or state educational institution has made any necessary repairs or modifications, the 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.

(D) This clause applies to a ~~vacant or unused~~ school building **that is vacant or is not used in whole or in part for classroom instruction** with more than two hundred thousand (200,000) gross square feet. In addition to the information provided in clauses (A) through (C), a charter school shall submit the following:

(i) The charter school's projected enrollment when all of the grade levels are added.

(ii) A letter from the charter school's authorizer or prospective authorizer that indicates that the charter school's authorizer or prospective authorizer has reviewed the items described in clauses (B) through (C) and that the projected enrollment of the charter school when all of the grade levels are added or fully implemented will be at least sixty percent (60%) of the maximum annual student enrollment of the school building during the past twenty-five (25) years as



validated by records maintained or created by the department.

(d) If the department does not receive any preliminary requests to purchase or lease a school building within the time frame described in subsection (c)(1) and except as provided in section 7 of this chapter, the department shall send notification to the school corporation that the department has not received any preliminary requests to purchase or lease the school building. Upon receipt of the notification under this subsection, the school corporation may sell or otherwise dispose of the school building in accordance with IC 36-1-11, IC 20-25-4-14, IC 20-26-5-4(a)(7), and section 8 of this chapter.

(e) Except as provided in subsection (g), in the event that two (2) or more charter schools but no state educational institutions, submit a preliminary request to purchase or lease a school building within the time frame described in subsection (c)(1), the department shall send notification to an authorizer described in IC 20-24-1-2.5(3) and each statewide charter school authorizer and statewide organization representing charter schools in Indiana (excluding school corporation authorizers as defined in IC 20-24-1-2.5(1)) 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 (c)(2) to purchase or lease the school building or determine if two (2) or more charter schools should co-locate within the school building. The committee shall give priority to a charter school located within one (1) mile of the ~~vacant or unused~~ school building **that is vacant or is not used in whole or in part for classroom activity**. In the event that the committee determines that two (2) or more charter schools should co-locate in the school building and, if applicable, that the combined enrollment of the charter schools will meet or exceed the requirements in subsection (c)(2)(D), the charter schools have sixty (60) days to submit a memorandum of understanding stating that the charter schools shall be jointly and severally liable for the obligations related to the sale or lease of the school building, and specifying how the charter schools will utilize the school building and share responsibility for operational, maintenance, and renovation expenses. If the charter schools are unable to agree, the charter schools shall be deemed to have revoked their prior request regarding the lease or sale of the school



building.

(f) If two (2) or more state educational institutions but no charter schools submit timely preliminary requests under subsection (c)(1) regarding a school building, the secretary of education shall appoint three (3) representatives of other state educational institutions. The appointed representatives shall act as a committee to determine which of the state educational institutions that have submitted preliminary requests as described in this subsection is best able to meet the needs of the students in the locality in which the school building is located. Not later than sixty (60) days after the date that the secretary of education appoints the committee of representatives under this subsection, the committee of representatives shall:

- (1) select which state educational institution may proceed to purchase or lease the building; or
- (2) determine if two (2) or more state educational institutions should co-locate within the school building.

(g) If one (1) or more charter schools and one (1) or more state educational institutions submit timely preliminary requests under subsection (c)(1) regarding a school building, the charter school shall be provided preference to the school building. If more than one (1) charter school submits timely preliminary requests under subsection (c)(1) regarding a school building, the determination of which charter school may obtain the school building shall be resolved in the manner prescribed in subsection (e).

(h) A school corporation shall lease the school building for one dollar (\$1) per year to the charter school or the state educational institution for as long as the charter school uses the school building for classroom instruction for any combination of kindergarten through grade 12 or a state educational institution uses the building for an academic purpose. The term of the lease shall be established at the charter school's or state educational institution's discretion and include an option for the state educational institution or charter school to purchase the school building for one dollar (\$1). Alternatively, the school corporation shall sell the school building to the charter school or the state educational institution for one dollar (\$1), if the charter school or the state educational institution has met the requirements set forth in subsection (c) and uses the ~~vacant or unused~~ school building **that is vacant or is not used in whole or in part for classroom instruction** in the manner prescribed by this subsection. If a charter school or state educational institution has not met the requirements under subsection (c), the school corporation may, subject to section 7 of this chapter, sell or otherwise dispose of the school building in



accordance with IC 36-1-11, IC 20-25-4-14, IC 20-26-5-4(a)(7), and section 8 of this chapter."

Page 10, delete lines 40 through 42.

Delete pages 11 through 16.

Page 17, delete lines 1 through 16, begin a new paragraph and insert:

"SECTION 10. IC 20-26-7.1-4.5, AS ADDED BY P.L.155-2021, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 4.5. (a) After a governing body passes a resolution or takes official action to close, no longer use, or no longer occupy a school building that was previously used for classroom instruction under section 3 of this chapter, a school corporation is responsible for meeting the requirements described in subsection (b) until the applicable school building is:

- (1) sold or leased to a charter school or state educational institution;
- (2) sold to an accredited nonpublic school or postsecondary educational institution other than a state educational institution under section 7 of this chapter; or
- (3) eligible to be sold or otherwise disposed in accordance with IC 36-1-11, IC 20-25-4-14, IC 20-26-5-4(a)(7), and section 8 of this chapter.

(b) During the period described in subsection (a), a school corporation is:

- (1) responsible for the maintenance of a ~~vacant or unused~~ school building **that is vacant or is not used in whole or in part for classroom instruction**, including:
 - (A) protection against theft or vandalism;
 - (B) fire protection; and
 - (C) ensuring the ~~vacant or unused~~ school building **that is vacant or is not used in whole or in part for classroom instruction** is not damaged during adverse weather conditions;
- (2) responsible for maintaining the physical condition of the ~~vacant or unused~~ school building **that is vacant or is not used in whole or in part for classroom instruction** in the same physical condition the applicable school building was on the last day that it was used for classroom instruction; and
- (3) financially responsible for any damage or destruction that occurs to the ~~vacant or unused~~ school building **that is vacant or is not used in whole or in part for classroom instruction."**

Page 17, delete lines 17 through 42.

Page 18, delete lines 1 through 5, begin a new paragraph and insert:



"SECTION 11. IC 20-26-7.1-5, AS AMENDED BY P.L.155-2021, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 5. (a) If a school building is sold to a charter school or state educational institution under section 3 or 4 of this chapter and the charter school or the state educational institution, or any subsequent owner, subsequently sells or transfers the school building to a third party, the charter school or state educational institution, or subsequent owner, must transfer an amount equal to the gain in the property minus the adjusted basis (including costs of improvements to the school building) to the school corporation that initially sold the ~~vacant~~ school building **that was vacant or was not used in whole or in part for classroom instruction** to the charter school or the 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.

(b) A charter school or state educational institution that purchases a school building assumes total control of the school building and must maintain the school building, including utilities, insurance, maintenance, and repairs. In the event a:

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

within two (2) years after acquiring the school building, the school building shall revert to the school corporation, which may sell or otherwise dispose of the school building under IC 36-1-11."

Page 18, delete lines 6 through 42.

Page 19, delete lines 1 through 19, begin a new paragraph and insert:

"SECTION 13. IC 20-26-7.1-7, AS AMENDED BY P.L.155-2021, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 7. (a) As used in this section, "accredited nonpublic school" means a nonpublic school that:

- (1) has voluntarily become accredited under IC 20-31-4.1; or
- (2) is accredited by a national or regional accrediting agency that is recognized by the state board.

(b) This section applies to a school building with a gross square footage of two hundred thousand (200,000) square feet or less.

(c) If the school corporation receives notification from the department that the department has not received any preliminary requests to purchase or lease a ~~vacant or unused~~ school building **that is vacant or is not used in whole or in part for classroom**



instruction under section 4(c)(1) of this chapter or a charter school or state educational institution has not met the requirements under section 4(c)(2) or 4(e) of this chapter, the school corporation must sell the school building to an accredited nonpublic school or a postsecondary educational institution other than a state educational institution that sends a letter of intent to the school corporation to purchase the ~~vacant or unused~~ school building **that is vacant or is not used in whole or in part for classroom instruction** for an amount not more than the minimum bid for the ~~vacant or unused~~ school building **that is vacant or is not used in whole or in part for classroom instruction** determined in accordance with IC 36-1-11, or an amount agreed to by both parties.

(d) The accredited nonpublic school or postsecondary educational institution, other than a state educational institution, must submit its letter of intent to purchase the school building within thirty (30) days of the date the school corporation passes a resolution or takes other official action to close, no longer use, or no longer occupy a school building that was previously used for classroom instruction. However, in the event that a charter school or state educational institution has submitted a preliminary request to purchase or lease a school building, the accredited nonpublic school or postsecondary educational institution other than a state educational institution may send a letter of intent to purchase or lease the school building within ninety (90) days of the date that the school corporation passed a resolution or took official action to close, no longer use, or no longer occupy a school building.

(e) Within forty-five (45) days of notice of the minimum bid, the accredited nonpublic school or postsecondary educational institution other than a state educational institution must provide a binding offer to the school corporation to purchase the property in its current condition and provide a nonrefundable down payment equal to five percent (5%) of the minimum bid or an amount agreed to by both parties. In the event that two (2) or more binding offers are submitted to the school corporation under this subsection, the school corporation may select which offer to accept.

(f) If the sale of the property does not close within one hundred eighty (180) days of the school corporation's receipt of the binding offer, and the delay in closing is not caused by the school corporation or its representatives, the school corporation may refund the down payment and sell or otherwise dispose of the school building under IC 20-25-4-14, IC 20-26-5-4(a)(7), or IC 36-1-11."

Page 19, delete lines 20 through 42.

ES 391—LS 7109/DI 51



Page 20, delete lines 1 through 26, begin a new paragraph and insert:

"SECTION 14. IC 20-26-7.1-8, AS ADDED BY P.L.270-2019, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 8. (a) This section applies to the sale of a ~~vacant or unused~~ school building **that is vacant or is not used in whole or in part for classroom instruction** with more than two hundred thousand (200,000) gross square feet under IC 36-1-11, as permitted by this chapter.

(b) In determining whether to accept a proposal to purchase and redevelop the school building and any adjacent property, the governing body must ensure that a charter school that is located within one (1) mile of the site to be redeveloped and has notified the governing body in writing of its interest in locating the charter school on the redeveloped site is provided with the opportunity to lease adequate facilities on the redeveloped site at fifty percent (50%) or less than the current market rate for the redeveloped property or a rate agreed upon by the parties.

(c) In the event that a charter school does not enter into a lease for the appropriate facilities as part of the initial development of the school building parcel, this section shall no longer be binding on the school corporation or the purchaser of the property, which shall not be required to make the space available for use by another charter school."

Page 20, delete lines 27 through 42.

Page 21, delete lines 1 through 28, begin a new paragraph and insert:

"SECTION 16. IC 20-26-7.1-9, AS AMENDED BY P.L.155-2021, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 9. (a) The attorney general shall investigate complaints that a school corporation has not complied with the requirements under this chapter if the complaint is filed within one (1) year of the date in which the governing body is alleged to have taken an official action that does not comply with this chapter. The attorney general shall notify the school corporation of the investigation within five (5) business days of receipt of a complaint under this section. The attorney general shall complete the investigation within sixty (60) days of the date of the complaint. The school corporation must provide any information requested by the attorney general necessary to conduct the investigation. Upon completion of the investigation, the attorney general shall issue findings indicating whether the complaint is either substantiated or unsubstantiated.



(b) Subject to subsection (d), in the event that a complaint is substantiated, the attorney general, in consultation with the department and state board, is authorized to take any action necessary to remedy a substantiated complaint, which may include actions to be performed by the state board or the department to ensure compliance of a school corporation under this section.

(c) Upon completion of the investigation under subsection (a), the attorney general shall publish findings of an investigation under subsection (a) on the attorney general's Internet web site. In the event a complaint is substantiated, a copy of the findings shall be sent to the state board and the department.

(d) If a school corporation does not comply with the requirements to sell a ~~vacant~~ school building **that is vacant or is not used in whole or in part for classroom instruction** provided in this chapter as determined by the attorney general under subsection (a), the school corporation shall submit any proceeds from the sale of the ~~vacant~~ school building **that is vacant or is not used in whole or in part for classroom instruction** to the state board, which shall be distributed equally between each charter school located in the attendance area of the school corporation. If no charter schools are located in the attendance area, the state board must use the proceeds to provide grants under the charter school and innovation grant program under IC 20-24-13. The attorney general is authorized to initiate any legal action necessary to ensure compliance with this section."

Page 21, delete lines 29 through 42.

Page 22, delete lines 1 through 38.

Page 22, line 41, delete "following" and insert "**state board**".

Page 22, line 42, delete "chapter:" and insert "**chapter.**".

Page 23, delete lines 1 through 10, begin a new paragraph and insert:

"SECTION 18. IC 20-26-7.1-11 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: **Sec. 11. This chapter expires July 1, 2025.**

SECTION 19. IC 20-29-2-6, AS AMENDED BY P.L.272-2019, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 6. "Deficit financing" for a budget year:

(1) means, except as provided in subdivision (2), actual expenditures exceeding the employer's current year actual education fund revenue and, for a school employer for which the voters have passed an operating referendum tax levy under IC 20-46-1 or a school safety referendum tax levy under



IC 20-46-9, the amount of revenue certified by the department of local government finance, **excluding money distributed to a charter school under IC 20-46-1-21 or IC 20-46-9-22**; or
 (2) means, in the case of any distressed school corporation, the Gary Community School Corporation, or the Muncie Community school corporation, actual expenditures plus additional payments against any outstanding debt obligations exceeding the employer's current year actual education fund revenue, and, for a school employer for which the voters have passed an operating referendum tax levy under IC 20-46-1 or a school safety referendum tax levy under IC 20-46-9, **excluding money distributed to a charter school under IC 20-46-1-21 or IC 20-46-9-22**, the amount of revenue certified by the department of local government finance.

Except as provided in IC 20-29-6-3(c), revenue does not include money estimated to be or actually transferred from the school corporation's operations fund to its education fund.

SECTION 20. IC 20-29-8-7, AS AMENDED BY P.L.272-2019, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 7. (a) When a factfinder is requested or required under IC 20-29-6, the board shall appoint a factfinder.

(b) The factfinder shall make an investigation and hold hearings as the factfinder considers necessary in connection with a dispute.

(c) The factfinder:

- (1) may restrict the factfinder's findings to those issues that the factfinder determines significant;
- (2) must restrict the findings to the items listed in IC 20-29-6-4; and
- (3) may not impose terms beyond those proposed by the parties in their last, best offers.

(d) The factfinder may use evidence furnished to the factfinder by:

- (1) the parties;
- (2) the board;
- (3) the board's staff; or
- (4) any other state agency.

(e) The factfinder shall conduct the factfinding hearing in public in a room or facility owned by the county or local unit of government located in the county in which the school employer is located, or if the school employer is located in more than one (1) county, in the county in which the greatest number of students who attend the school employer's schools reside. The public hearing may begin not earlier than November 15 in the first year of the state budget biennium and



must be concluded by February 15 of the calendar year after the start of formal collective bargaining.

(f) The factfinding process may not exceed thirty (30) days from beginning to end, and not more than two (2) of those days may be used for public testimony, which may be taken at the discretion of the factfinder. During the public hearing, each party shall present fully its last, best offer, including the fiscal rationale for the offer. Only education fund revenue and, for a school employer for which the voters have passed an operating referendum tax levy under IC 20-46-1 or a school safety referendum tax levy under IC 20-46-9, the amount of revenue certified by the department of local government finance, **excluding money distributed to a charter school under IC 20-46-1-21 or IC 20-46-9-22**, may be considered a source of the funding for items. Money estimated to be or actually transferred from the school corporation's operations fund to its education fund may not be considered a source of funding for items.

(g) The factfinder shall make a recommendation as to the settlement of the disputes over which the factfinder has jurisdiction.

(h) The factfinder shall:

- (1) make the investigation, hearing, and findings as expeditiously as the circumstances permit; and
- (2) deliver the findings to the parties and to the board.

(i) The board, after receiving the findings and recommendations, may make additional findings and recommendations to the parties based on information in:

- (1) the report; or
- (2) the board's own possession.

The board may not make any recommendations to the parties related to any items not specifically identified in IC 20-29-6-4.

(j) At any time within five (5) days after the findings and recommendations are delivered to the board, the board may make the findings and recommendations of the factfinder and the board's additional findings and recommendations, if any, available to the public through news media and other means the board considers effective.

(k) The board shall make the findings and recommendations described in subsection (j) available to the public not later than ten (10) days after the findings and recommendations are delivered to the board.

SECTION 21. IC 20-40-3-5, AS AMENDED BY P.L.154-2020, SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 5. (a) Money in the fund may be used for any lawful school expenses, including making a transfer to the school



corporation's education fund (IC 20-40-2) or operations fund (IC 20-40-18).

(b) **Except as provided in IC 20-46-1-21**, a school corporation may distribute proceeds of a tax levy collected under IC 20-46-1 that is transferred to the school corporation's education fund to a charter school, excluding a virtual charter school, that is located within the attendance area of the school corporation.

SECTION 22. IC 20-40-20-6, AS AMENDED BY P.L.154-2020, SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 6. (a) Subject to subsections (c) and (d), money in the fund may be used only for the following purposes:

- (1) To employ or compensate a school resource officer or school resource officers.
- (2) To establish or fund a school safety office.
- (3) To conduct a threat assessment of a school building.
- (4) To create or update a school safety plan.
- (5) To develop or update school emergency response systems.
- (6) To purchase equipment to improve the safety of a school building, school grounds, or school buses.
- (7) To pay capital expenses to improve the safety of a school building.
- (8) To establish and administer programs to address youth specific mental illness, addiction, anger management, bullying, and school violence.
- (9) To develop and administer professional development programs for teachers, administrators, and other school employees designed to improve school safety and reduce violence.

(b) **Except as provided in IC 20-46-9-22**, a school corporation may distribute, with the approval of the majority of members of the governing body, a portion of the proceeds of a tax levy collected under IC 20-46-9 that is deposited in the fund to a charter school, excluding a virtual charter school, that is located within the attendance area of the school corporation, to be used by the charter school for the purposes described in subsection (a).

(c) Expenditures paid using money collected from the levy shall be included in a school's safety plan.

(d) Local law enforcement shall participate in:

- (1) development of a school safety plan;
- (2) development or updates to school emergency response systems; and
- (3) determination of capital expenses that would improve the safety of a school building.



(e) Money in the fund may be transferred to the school corporation's education fund (IC 20-40-2), operations fund (IC 20-40-18), or school safety referendum debt service fund (IC 20-40-21), as applicable, to pay for expenditures listed in subsection (a).

SECTION 23. IC 20-46-1-8, AS AMENDED BY P.L.174-2022, SECTION 51, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 8. (a) Subject to subsections ~~(e)~~; ~~(f)~~; and (e), (f), and (g) and this chapter, the governing body of a school corporation may adopt a resolution to place a referendum under this chapter on the ballot for any of the following purposes:

- (1) The governing body of the school corporation determines that it cannot, in a calendar year, carry out its public educational duty unless it imposes a referendum tax levy under this chapter.
- (2) The governing body of the school corporation determines that a referendum tax levy under this chapter should be imposed to replace property tax revenue that the school corporation will not receive because of the application of the credit under IC 6-1.1-20.6.
- (3) **For a resolution adopted before July 1, 2023**, the governing body makes the determination required under subdivision (1) or (2) and determines to share a portion of the referendum proceeds with a charter school, excluding a virtual charter school, in the manner prescribed in subsection ~~(f)~~; (e).

(b) A resolution for a referendum for a county described in IC 20-46-1-21 that is adopted after June 30, 2023, shall specify that a portion of the proceeds collected from the proposed levy will be distributed to applicable charter schools in the manner described under section 21 of this chapter.

~~(b)~~ (c) The governing body of the school corporation shall certify a copy of the resolution to place a referendum on the ballot to the following:

- (1) The department of local government finance, including:
 - (A) the language for the question required by section 10 of this chapter, or in the case of a resolution to extend a referendum levy certified to the department of local government finance after March 15, 2016, section 10.1 of this chapter; and
 - (B) a copy of the revenue spending plan adopted under subsection ~~(e)~~; (g).

The language of the public question must include the estimated average percentage increases certified by the county auditor under section 10(e) or 10.1(f) of this chapter, as applicable. The governing body of the school corporation shall also provide the



county auditor's certification described in section 10(e) or 10.1(f) of this chapter, as applicable. The department of local government finance shall post the values certified by the county auditor to the department's ~~Internet web site~~ **website**. The department shall review the language for compliance with section 10 or 10.1 of this chapter, whichever is applicable, and either approve or reject the language. The department shall send its decision to the governing body of the school corporation not more than ten (10) days after the resolution is submitted to the department. If the language is approved, the governing body of the school corporation shall certify a copy of the resolution, including the language for the question and the department's approval.

(2) The county fiscal body of each county in which the school corporation is located (for informational purposes only).

(3) The circuit court clerk of each county in which the school corporation is located.

~~(c)~~ **(d)** If a school safety referendum tax levy under IC 20-46-9 has been approved by the voters in a school corporation at any time in the previous three (3) years, the school corporation may not:

(1) adopt a resolution to place a referendum under this chapter on the ballot; or

(2) otherwise place a referendum under this chapter on the ballot.

~~(d)~~ **(e)** **Except as provided in section 21 of this chapter**, the resolution described in subsection (a) must indicate whether proceeds in the school corporation's education fund collected from a tax levy under this chapter will be used to provide a distribution to a charter school or charter schools, excluding a virtual charter school, under IC 20-40-3-5 as well as the amount that will be distributed to the particular charter school or charter schools. A school corporation may request from the designated charter school or charter schools any financial documentation necessary to demonstrate the financial need of the charter school or charter schools.

(f) This subsection applies to a resolution described in subsection (a) for a county described in section 21(a) of this chapter that is adopted after June 30, 2023. The resolution described in subsection (a) shall include a projection of the amount that the school corporation expects to be distributed to a particular charter school, excluding virtual charter schools or adult high schools, under section 21 of this chapter if the charter school voluntarily elects to participate in the referendum in the manner described in subsection (i). At least sixty (60) days before the resolution described in subsection (a) is voted on by the governing



body, the school corporation shall contact the department to determine the number of students in kindergarten through grade 12 who have legal settlement in the school corporation but attend a charter school, excluding virtual charter schools or adult high schools, and who receive not more than fifty percent (50%) virtual instruction. The department shall provide the school corporation with the number of students with legal settlement in the school corporation who attend a charter school and who receive not more than fifty percent (50%) virtual instruction, which shall be disaggregated for each particular charter school, excluding a virtual charter school or adult high school. The projection may include an expected increase in charter schools during the term the levy is imposed under this chapter. The department of local government finance shall prescribe the manner in which the projection shall be calculated. The governing body shall take into consideration the projection when adopting the revenue spending plan under subsection (g).

(e) (g) As part of the resolution described in subsection (a), the governing body of the school corporation shall adopt a revenue spending plan for the proposed referendum tax levy that includes:

- (1) an estimate of the amount of annual revenue expected to be collected if a levy is imposed under this chapter;
- (2) the specific purposes for which the revenue collected from a levy imposed under this chapter will be used; ~~and~~
- (3) an estimate of the annual dollar amounts that will be expended for each purpose described in subdivision (2); ~~and~~
- (4) for a resolution for a referendum that is adopted after June 30, 2023, for a county described in section 21(a) of this chapter, the projected revenue that shall be distributed to charter schools as provided in subsections (f) and (i). The revenue spending plan shall also take into consideration deviations in the proposed revenue spending plan if the actual charter school distributions exceed or are lower than the projected charter school distributions described in subsection (f). The resolution shall include for each charter school that elects to participate under subsection (i) information described in subdivisions (1) through (3).**

(f) (h) A school corporation shall specify in its proposed budget the school corporation's revenue spending plan adopted under subsection (e) (g) and annually present the revenue spending plan at its public hearing on the proposed budget under IC 6-1.1-17-3.

(i) This subsection applies to a resolution described in subsection



(a) for a county described in section 21(a) of this chapter that is adopted after June 30, 2023. At least forty-five (45) days before the resolution described in subsection (a) is voted on by the governing body, the school corporation shall contact each charter school disclosed by the department to the school corporation under subsection (f) to determine whether the charter school will participate in the referendum. The charter school must respond in writing to the school corporation at least (15) days prior to the date that the resolution described in subsection (a) is to be voted on by the governing body. If the charter school elects to not participate in the referendum, the school corporation may exclude distributions to the charter school under section 21 of this chapter and from the projection described in subsection (f). If the charter school elects to participate in the referendum, the charter school may receive distributions under section 21 of this chapter and must be included in the projection described in subsection (f). In addition, a charter school that elects to participate in the referendum under this subsection shall contribute a proportionate share of the cost to conduct the referendum based on the total combined ADM of the school corporation and any participating charter schools.

SECTION 24. IC 20-46-1-8.5, AS ADDED BY P.L.138-2016, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 8.5. **(a)** A resolution to extend a referendum levy must be:

- (1) adopted by the governing body of a school corporation; and
- (2) approved in a referendum under this chapter;

before December 31 of the final calendar year in which the school corporation's previously approved referendum levy is imposed under this chapter.

(b) For a resolution adopted under this section after June 30, 2023, for a county described in section 21(a) of this chapter, the resolution must include the projected charter school distributions described in section 8(f) of this chapter and indicate the distributions to applicable charter schools in accordance with section 21 of this chapter.

SECTION 25. IC 20-46-1-10, AS AMENDED BY P.L.174-2022, SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 10. **(a)** This section does not apply to a referendum on a resolution certified to the department of local government finance after March 15, 2016, to extend a referendum levy.

(b) The question to be submitted to the voters in the referendum



must read as follows:

"Shall the school corporation increase property taxes paid to ~~the school corporation schools~~ by homeowners and businesses for _____ (insert number of years) years immediately following the holding of the referendum for the purpose of funding _____ (insert short description of purposes)? If this public question is approved by the voters, the average property tax paid to ~~the school corporation schools~~ per year on a residence would increase by _____% (insert the estimated average percentage of property tax increase paid to ~~the school corporation schools~~ on a residence within the school corporation as determined under subsection (c)) and the average property tax paid to ~~the school corporation schools~~ per year on a business property would increase by _____% (insert the estimated average percentage of property tax increase paid to ~~the school corporation schools~~ on a business property within the school corporation as determined under subsection (d)). The most recent property tax referendum proposed by the school corporation was held in _____ (insert year) and _____ (insert whether the measure passed or failed)."

(c) At the request of the governing body of a school corporation that proposes to impose property taxes under this chapter, the county auditor of the county in which the school corporation is located shall determine the estimated average percentage of property tax increase on a homestead to be paid to ~~the school corporation schools~~ that must be included in the public question under subsection (b) as follows:

STEP ONE: Determine the average assessed value of a homestead located within the school corporation.

STEP TWO: For purposes of determining the net assessed value of the average homestead located within the school corporation, subtract:

(A) an amount for the homestead standard deduction under IC 6-1.1-12-37 as if the homestead described in STEP ONE was eligible for the deduction; and

(B) an amount for the supplemental homestead deduction under IC 6-1.1-12-37.5 as if the homestead described in STEP ONE was eligible for the deduction;

from the result of STEP ONE.

STEP THREE: Divide the result of STEP TWO by one hundred (100).

STEP FOUR: Determine the overall average tax rate per one hundred dollars (\$100) of assessed valuation for the current year



imposed on property located within the school corporation.

STEP FIVE: For purposes of determining net property tax liability of the average homestead located within the school corporation:

(A) multiply the result of STEP THREE by the result of STEP FOUR; and

(B) as appropriate, apply any currently applicable county property tax credit rates and the credit for excessive property taxes under IC 6-1.1-20.6-7.5(a)(1).

STEP SIX: Determine the amount of the school corporation's part of the result determined in STEP FIVE.

STEP SEVEN: Multiply:

(A) the tax rate that will be imposed if the public question is approved by the voters; by

(B) the result of STEP THREE.

STEP EIGHT: Divide the result of STEP SEVEN by the result of STEP SIX, expressed as a percentage.

(d) At the request of the governing body of a school corporation that proposes to impose property taxes under this chapter, the county auditor of the county in which the school corporation is located shall determine the estimated average percentage of property tax increase on a business property to be paid to ~~the school corporation~~ **schools** that must be included in the public question under subsection (b) as follows:

STEP ONE: Determine the average assessed value of business property located within the school corporation.

STEP TWO: Divide the result of STEP ONE by one hundred (100).

STEP THREE: Determine the overall average tax rate per one hundred dollars (\$100) of assessed valuation for the current year imposed on property located within the school corporation.

STEP FOUR: For purposes of determining net property tax liability of the average business property located within the school corporation:

(A) multiply the result of STEP TWO by the result of STEP THREE; and

(B) as appropriate, apply any currently applicable county property tax credit rates and the credit for excessive property taxes under IC 6-1.1-20.6-7.5 as if the applicable percentage was three percent (3%).

STEP FIVE: Determine the amount of the school corporation's part of the result determined in STEP FOUR.

STEP SIX: Multiply:



(A) the result of STEP TWO; by

(B) the tax rate that will be imposed if the public question is approved by the voters.

STEP SEVEN: Divide the result of STEP SIX by the result of STEP FIVE, expressed as a percentage.

(e) The county auditor shall certify the estimated average percentage of property tax increase on a homestead to be paid to ~~the school corporation schools~~ determined under subsection (c), and the estimated average percentage of property tax increase on a business property to be paid to ~~the school corporation schools~~ determined under subsection (d), in a manner prescribed by the department of local government finance, and provide the certification to the governing body of the school corporation that proposes to impose property taxes.

SECTION 26. IC 20-46-1-19.5, AS AMENDED BY P.L.272-2019, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 19.5. (a) Subject to section ~~8(c)~~ **8(d)** of this chapter, if a referendum is approved by the voters in a school corporation under this chapter in a calendar year, another referendum may not be placed on the ballot in the school corporation under this chapter in the following calendar year.

(b) Notwithstanding any other provision of this chapter and in addition to the restriction specified in subsection (a), if a school corporation imposes in a calendar year a referendum levy approved in a referendum under this chapter, the school corporation may not simultaneously impose in that calendar year more than one (1) additional referendum levy approved in a subsequent referendum under this chapter.

SECTION 27. IC 20-46-1-21 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: **Sec. 21. (a) This section applies to revenue received from a resolution that is approved by the governing body to impose a referendum levy under section 8 or 8.5 of this chapter after June 30, 2023, for a school corporation located in:**

- (1) Lake County;**
- (2) Marion County;**
- (3) St. Joseph County; or**
- (4) Vanderburgh County.**

(b) The county auditor in which the school corporation is located shall distribute an amount under subsection (d) to each charter school that a student who resides within the attendance area of the school corporation attends if the charter school elects



to participate in the referendum under section 8(i) of this chapter. The department shall provide the county auditor with data and information necessary for the county auditor to determine:

- (1) which charter schools are eligible to receive a distribution under this section; and
 - (2) the number of students who reside within the attendance area of the school corporation who are included in the ADM for each charter school described in subdivision (1).
- (c) The following schools are not eligible to receive a distribution under this section:
- (1) A virtual charter school.
 - (2) An adult high school.
- (d) Except as provided in subsection (e), the amount that the county auditor shall distribute to a charter school under this section is the amount determined in the last STEP of the following STEPS:

STEP ONE: Determine, for each charter school that is eligible to receive a distribution under this section, the number of students who reside within the attendance area of the school corporation who are currently included in the ADM of the charter school.

STEP TWO: Determine the sum of:

- (A) the current ADM count for the school corporation;
- plus
- (B) the STEP ONE amount.

STEP THREE: Determine the result of:

- (A) the STEP ONE amount; divided by
- (B) the STEP TWO amount.

STEP FOUR: Determine the result of:

- (A) the STEP THREE amount; multiplied by
- (B) the amount collected by the county auditor during the most recent installment period.

(e) The total amount of money distributed to applicable charter schools under this section for a particular year may not exceed one hundred ten percent (110%) of the total amount of money that is projected to be distributed to all applicable charter schools under section 8(f) of this chapter for that particular year. If the total amount of money to be distributed to charter schools for a particular year exceeds one hundred ten percent (110%) of the amount projected to be distributed to all applicable charter schools under section 8(f) of this chapter, the amount that is actually distributed to each charter school under subsection (d) shall be



proportionately reduced so that the total amount of money distributed to all applicable charter schools during that particular year equals an amount determined under the last STEP of the following STEPS:

STEP ONE: Determine the amount projected to be distributed to all applicable charter schools under section 8(f) of this chapter for that particular year.

STEP TWO: Multiply the STEP ONE amount by ten percent (10%).

STEP THREE: Add the STEP TWO amount to the STEP ONE amount.

SECTION 28. IC 20-46-9-6, AS AMENDED BY P.L.174-2022, SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 6. (a) Subject to this chapter, the governing body of a school corporation may adopt a resolution to place a referendum under this chapter on the ballot if the governing body of the school corporation determines that a referendum levy should be imposed for measures to improve school safety as described in IC 20-40-20-6(a) or IC 20-40-20-6(b).

(b) **Except as provided in section 22 of this chapter**, a school corporation may, with the approval of the majority of members of the governing body, distribute a portion of the proceeds of a tax levy collected under this chapter that is deposited in the fund to a charter school, excluding a virtual charter school, that is located within the attendance area of the school corporation, to be used by the charter school for the purposes described in IC 20-40-20-6(a).

(c) **This subsection applies to a resolution described in subsection (a) that is adopted after June 30, 2023, in a county described in section 22(a) of this chapter. A resolution shall specify that a portion of the proceeds of the proposed levy will be distributed to applicable charter schools in the manner described under section 22 of this chapter if the charter school voluntarily elects to participate in the referendum in the manner described in subsection (i).**

(d) **This subsection applies to a resolution described in subsection (a) that is adopted after June 30, 2023, in a county described in section 22(a) of this chapter. The resolution described in subsection (a) shall include a projection of the amount that the school corporation expects to be distributed to a particular charter school, excluding virtual charter schools or adult high schools, under section 22 of this chapter that elects to participate in the referendum under subsection (i). At least sixty (60) days before the**



resolution described in subsection (a) is voted on by the governing body, the school corporation shall contact the department to determine the number of students in kindergarten through grade 12 who have legal settlement in the school corporation but attend a charter school, excluding virtual charter schools or adult high schools, and who receive not more than fifty percent (50%) virtual instruction. The department shall provide the school corporation with the number of students with legal settlement in the school corporation who attend a charter school, which shall be disaggregated for each particular charter school, excluding a virtual charter school or adult high school. The projection may include an expected increase in charter schools during the term the levy is imposed. The department of local government finance shall prescribe the manner in which the projection shall be calculated. The governing body shall take into consideration the projection when adopting the revenue spending plan under subsection (g).

(e) (e) The governing body of the school corporation shall certify a copy of the resolution to the following:

- (1) The department of local government finance, including:
 - (A) the language for the question required by section 9 of this chapter, or in the case of a resolution to extend a referendum levy certified to the department of local government finance, section 10 of this chapter; and
 - (B) a copy of the revenue spending plan adopted under subsection (e): (g).

The language of the public question must include the estimated average percentage increases certified by the county auditor under section 9(d) or 10(f) of this chapter, as applicable. The governing body of the school corporation shall also provide the county auditor's certification described in section 9(d) or 10(f) of this chapter, as applicable. The department of local government finance shall post the values certified by the county auditor to the department's ~~Internet web site~~: **website**. The department shall review the language for compliance with section 9 or 10 of this chapter, whichever is applicable, and either approve or reject the language. The department shall send its decision to the governing body of the school corporation not more than ten (10) days after the resolution is submitted to the department. If the language is approved, the governing body of the school corporation shall certify a copy of the resolution, including the language for the question and the department's approval.

- (2) The county fiscal body of each county in which the school



corporation is located (for informational purposes only).

(3) The circuit court clerk of each county in which the school corporation is located.

(d) (f) Except as provided in section 22 of this chapter, the resolution described in subsection (a) must indicate whether proceeds in the school corporation's fund collected from a tax levy under this chapter will be used to provide a distribution to a charter school or charter schools, excluding a virtual charter school, under IC 20-40-20-6(b) as well as the amount that will be distributed to the particular charter school or charter schools. A school corporation may request from the designated charter school or charter schools any financial documentation necessary to demonstrate the financial need of the charter school or charter schools.

(e) (g) As part of the resolution described in subsection (a), the governing body of the school corporation shall adopt a revenue spending plan for the proposed referendum tax levy that includes:

(1) an estimate of the amount of annual revenue expected to be collected if a levy is imposed under this chapter;

(2) the specific purposes described in IC 20-40-20-6 for which the revenue collected from a levy imposed under this chapter will be used; **and**

(3) an estimate of the annual dollar amounts that will be expended for each purpose described in subdivision (2); **and**

(4) for a resolution for a referendum that is adopted after June 30, 2023, for a county described in section 22(a) of this chapter, the projected revenue that shall be distributed to charter schools as provided in subsection (d). The revenue spending plan shall also take into consideration deviations in the proposed revenue spending plan if the actual charter school distributions exceed or are lower than the projected charter school distributions described in subsection (d). The resolution shall include for each charter school that elects to participate under subsection (i) information described in subdivisions (1) through (3).

(f) (h) A school corporation shall specify in its proposed budget the school corporation's revenue spending plan adopted under subsection **(e) (g)** and annually present the revenue spending plan at its public hearing on the proposed budget under IC 6-1.1-17-3.

(i) This subsection applies to a resolution described in subsection (a) for a county described in section 22(a) of this chapter that is adopted after June 30, 2023. At least forty-five (45) days before the resolution described in subsection (a) is voted on by the governing



body, the school corporation shall contact each charter school disclosed by the department to the school corporation under subsection (f) to determine whether the charter school will participate in the referendum. The charter school must respond in writing to the school corporation at least (15) days prior to the date that the resolution described in subsection (a) is to be voted on by the governing body. If the charter school elects to not participate in the referendum, the school corporation may exclude distributions to the charter school under section 22 of this chapter and from the projection described in subsection (f). If the charter school elects to participate in the referendum, the charter school may receive distributions under section 22 of this chapter and must be included in the projection described in subsection (f). In addition, a charter school that elects to participate in the referendum under this subsection shall contribute a proportionate share of the cost to conduct the referendum based on the total combined ADM of the school corporation and any participating charter schools.

SECTION 29. IC 20-46-9-7, AS ADDED BY P.L.272-2019, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 7. (a) A resolution to extend a referendum levy must be:

- (1) adopted by the governing body of a school corporation; and
- (2) approved in a referendum under this chapter;

before December 31 of the final calendar year in which the school corporation's previously approved referendum levy is imposed under this chapter.

(b) For a resolution adopted under this section after June 30, 2023, for a county described in section 22(a) of this chapter, the resolution must include the projected charter school distributions described in section 6(d) of this chapter and indicate the distributions to applicable charter schools in accordance with section 22 of this chapter.

SECTION 30. IC 20-46-9-9, AS AMENDED BY P.L.174-2022, SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 9. (a) The question to be submitted to the voters in the referendum must read as follows:

"Shall the school corporation increase property taxes paid to ~~the school corporation~~ schools by homeowners and businesses for _____ (insert number of years) years immediately following the holding of the referendum for the purpose of funding _____ (insert short description of purposes)? If this public question is



approved by the voters, the average property tax paid to ~~the school corporation~~ **schools** per year on a residence would increase by _____% (insert the estimated average percentage of property tax increase paid to ~~the school corporation~~ **schools** on a residence within the school corporation as determined under subsection (b)) and the average property tax paid to ~~the school corporation~~ **schools** per year on a business property would increase by _____% (insert the estimated average percentage of property tax increase paid to ~~the school corporation~~ **schools** on a business property within the school corporation as determined under subsection (c)). The most recent property tax referendum proposed by the school corporation was held in _____ (insert year) and _____ (insert whether the measure passed or failed).".

(b) At the request of the governing body of a school corporation that proposes to impose property taxes under this chapter, the county auditor of the county in which the school corporation is located shall determine the estimated average percentage of property tax increase on a homestead to be paid to the school corporation that must be included in the public question under subsection (a) as follows:

STEP ONE: Determine the average assessed value of a homestead located within the school corporation.

STEP TWO: For purposes of determining the net assessed value of the average homestead located within the school corporation, subtract:

(A) an amount for the homestead standard deduction under IC 6-1.1-12-37 as if the homestead described in STEP ONE was eligible for the deduction; and

(B) an amount for the supplemental homestead deduction under IC 6-1.1-12-37.5 as if the homestead described in STEP ONE was eligible for the deduction;

from the result of STEP ONE.

STEP THREE: Divide the result of STEP TWO by one hundred (100).

STEP FOUR: Determine the overall average tax rate per one hundred dollars (\$100) of assessed valuation for the current year imposed on property located within the school corporation.

STEP FIVE: For purposes of determining net property tax liability of the average homestead located within the school corporation:

(A) multiply the result of STEP THREE by the result of STEP FOUR; and

(B) as appropriate, apply any currently applicable county



property tax credit rates and the credit for excessive property taxes under IC 6-1.1-20.6-7.5(a)(1).

STEP SIX: Determine the amount of the school corporation's part of the result determined in STEP FIVE.

STEP SEVEN: Multiply:

(A) the tax rate that will be imposed if the public question is approved by the voters; by

(B) the result of STEP THREE.

STEP EIGHT: Divide the result of STEP SEVEN by the result of STEP SIX, expressed as a percentage.

(c) At the request of the governing body of a school corporation that proposes to impose property taxes under this chapter, the county auditor of the county in which the school corporation is located shall determine the estimated average percentage of property tax increase on a business property to be paid to the school corporation that must be included in the public question under subsection (a) as follows:

STEP ONE: Determine the average assessed value of business property located within the school corporation.

STEP TWO: Divide the result of STEP ONE by one hundred (100).

STEP THREE: Determine the overall average tax rate per one hundred dollars (\$100) of assessed valuation for the current year imposed on property located within the school corporation.

STEP FOUR: For purposes of determining net property tax liability of the average business property located within the school corporation:

(A) multiply the result of STEP TWO by the result of STEP THREE; and

(B) as appropriate, apply any currently applicable county property tax credit rates and the credit for excessive property taxes under IC 6-1.1-20.6-7.5 as if the applicable percentage was three percent (3%).

STEP FIVE: Determine the amount of the school corporation's part of the result determined in STEP FOUR.

STEP SIX: Multiply:

(A) the result of STEP TWO; by

(B) the tax rate that will be imposed if the public question is approved by the voters.

STEP SEVEN: Divide the result of STEP SIX by the result of STEP FIVE, expressed as a percentage.

(d) The county auditor shall certify the estimated average percentage of property tax increase on a homestead to be paid to ~~the~~



~~school corporation schools~~ determined under subsection (b), and the estimated average percentage of property tax increase on a business property to be paid to ~~the school corporation schools~~ determined under subsection (c), in a manner prescribed by the department of local government finance, and provide the certification to the governing body of the school corporation that proposes to impose property taxes.

SECTION 31. IC 20-46-9-22 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: **Sec. 22. (a) This section applies to revenue received from a resolution that is approved by the governing body to impose a referendum levy under section 6 or 7 of this chapter after June 30, 2023, for a school corporation located in:**

- (1) Lake County;**
- (2) Marion County;**
- (3) St. Joseph County; or**
- (4) Vanderburgh County.**

(b) The county auditor shall distribute an amount under subsection (d) to each charter school that a student who resides within the attendance area of the school corporation attends if the charter school elects to participate in the referendum under section 6(i) of this chapter. The department shall provide the county auditor with data and information necessary for the county auditor to determine:

- (1) which charter schools are eligible to receive a distribution under this section; and**
- (2) the number of students who reside within the attendance area of the school corporation who are included in the ADM for each charter school described in subdivision (1).**

(c) The following schools are not eligible to receive a distribution under this section:

- (1) A virtual charter school.**
- (2) An adult high school.**

(d) Except as provided in subsection (e), the amount that the county auditor shall distribute to a charter school under this section is the amount determined in the last STEP of the following STEPS:

STEP ONE: Determine, for each charter school that is eligible to receive a distribution under this section, the number of students who reside within the attendance area of the school corporation who are currently included in the ADM of the charter school.



STEP TWO: Determine the sum of:

- (A) the current ADM count for the school corporation;
plus
- (B) the STEP ONE amount.

STEP THREE: Determine the result of:

- (A) the STEP ONE amount; divided by
- (B) the STEP TWO amount.

STEP FOUR: Determine the result of:

- (A) the STEP THREE amount; multiplied by
- (B) the amount collected by the county auditor during the most recent installment period.

(e) If a charter school receives a distribution under this section, the distribution may be used only for the purposes described in IC 20-40-20-6(a).

(f) The total amount of money distributed to applicable charter schools under this section for a particular year may not exceed one hundred ten percent (110%) of the total amount of money that is projected to be distributed to all applicable charter schools under section 6(d) of this chapter for that particular year. If the total amount of money to be distributed to charter schools for a particular year exceeds one hundred ten percent (110%) of the amount projected to be distributed to all applicable charter schools under section 6(d) of this chapter, the amount that is actually distributed to each charter school under subsection (d) shall be proportionately reduced so that the total amount of money distributed to all applicable charter schools during that particular year equals an amount determined under the last STEP of the following STEPS:

STEP ONE: Determine the amount projected to be distributed to all applicable charter schools under section 6(d) of this chapter for that particular year.

STEP TWO: Multiply the STEP ONE amount by ten percent (10%).

STEP THREE: Add the STEP TWO amount to the STEP ONE amount.

SECTION 32. IC 20-49-3-8, AS AMENDED BY P.L.211-2018(ss), SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 8. The fund may be used to make advances:

- (1) to school corporations, including school corporation career and technical education schools described in IC 20-37-1-1, under IC 20-49-4 and IC 20-49-5;
- (2) to charter schools under IC 20-49-4;



~~(2)~~ **(3)** under IC 20-49-6;

~~(3)~~ **(4)** to charter and innovation network schools under IC 20-49-9; and

~~(4)~~ **(5)** to a school corporation or charter school (or a coalition of public schools applying jointly) under IC 20-49-10.

Unless the context clearly requires otherwise, a reference to a school corporation in this chapter includes a school corporation career and technical education school described in IC 20-37-1-1. However, an advance to a school corporation career and technical education school described in IC 20-37-1-1 is not considered an advance to a school corporation for purposes of determining if the school corporation career and technical education school described in IC 20-37-1-1 qualifies for an advance.

SECTION 33. IC 20-49-4-1, AS AMENDED BY P.L.233-2015, SECTION 312, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 1. This chapter applies to:

(1) school corporations organized and formed through reorganization under IC 20-23-4, IC 20-23-6, or IC 20-23-7; ~~and~~

(2) school corporation career and technical education schools described in IC 20-37-1-1; ~~and~~

(3) charter schools.

Unless the context clearly requires otherwise, a reference to a school corporation in this chapter includes a school corporation career and technical education school described in IC 20-37-1-1.

SECTION 34. IC 20-49-4-2, AS ADDED BY P.L.2-2006, SECTION 172, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 2. Sections 9, 12, and 13 of this chapter do not apply if a school corporation **or charter school** sustains loss from a disaster.

SECTION 35. IC 20-49-4-3.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: **Sec. 3.5. (a) As used in this chapter, "charter school" refers to a school established under IC 20-24.**

(b) The term does not include the following:

(1) A virtual charter school (as defined in IC 20-24-1-10).

(2) An adult high school (as defined in IC 20-24-1-2.3).

SECTION 36. IC 20-49-4-7, AS AMENDED BY P.L.40-2014, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 7. **(a)** As used in this chapter, "school building construction program" means **the following:**

(1) The purchase, lease, or financing of land, the construction and equipping of school buildings, and the remodeling, repairing, or



improving of school buildings by a school corporation:

- (1) ~~(A)~~ that sustained a loss from a disaster;
- (2) ~~(B)~~ whose ~~adjusted~~ assessed valuation (~~as determined under IC 6-1.1-34-8~~) per current ADM is within the lowest forty percent (40%) of the assessed valuation per current ADM when compared with all school corporation ~~adjusted~~ assessed valuation (~~as adjusted (if applicable) under IC 6-1.1-34-8~~) per current ADM; or
- (3) ~~(C)~~ with an advance under this chapter outstanding on July 1, 1993, that bears interest of at least seven and one-half percent (7.5%).

(2) The purchase, lease, or financing of land, the construction and equipping of school buildings, and the remodeling, repairing, or improving of school buildings by a charter school.

(b) The term does not include facilities used or to be used primarily for interscholastic or extracurricular activities. If a program involves a school corporation career and technical education school described in IC 20-37-1-1, the ~~adjusted~~ assessed valuation and current ADM of all those school corporations that are members of the career and technical education school are to be used for making determinations under this section.

SECTION 37. IC 20-49-4-8, AS ADDED BY P.L.2-2006, SECTION 172, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 8. The state board may advance money to school corporations **and charter schools** to be used for:

- (1) school building construction programs; and
- (2) **subject to IC 20-20-13-7**, educational technology programs; as provided in this chapter.

SECTION 38. IC 20-49-4-9, AS AMENDED BY P.L.40-2014, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 9. Priority of advances for school building construction programs shall be made to school corporations that have the least amount of ~~adjusted~~ assessed valuation (~~as determined under IC 6-1.1-34-8~~) per ~~student in current~~ ADM. If a program involves a school corporation career and technical education school described in IC 20-37-1-1, the ~~adjusted~~ assessed valuation and current ADM of all those school corporations that are members of the career and technical education school are to be used for making determinations under this section.

SECTION 39. IC 20-49-4-11, AS ADDED BY P.L.2-2006, SECTION 172, IS AMENDED TO READ AS FOLLOWS



[EFFECTIVE JULY 1, 2023]: Sec. 11. A school corporation **or charter school** desiring to obtain an advance must submit an application to the state board in the form established by the state board, after consulting with the department and the budget agency.

SECTION 40. IC 20-49-4-12, AS AMENDED BY P.L.244-2017, SECTION 120, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 12. **(a) For a school corporation or charter school** to qualify for an advance under this chapter, a:

(1) school corporation must establish an operations fund under IC 20-40-18; **and**

(2) charter school must establish an operations fund.

(b) The state board, after consulting with the department and the budget agency, may waive or modify ~~this the~~ requirement **under this section** upon a showing of good cause by the school corporation **or charter school**.

SECTION 41. IC 20-49-4-13, AS ADDED BY P.L.2-2006, SECTION 172, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 13. An advance to a school corporation **or charter school** for any school building construction program may not exceed the greater of the following:

(1) Fifteen million dollars (\$15,000,000).

(2) The product of fifteen thousand dollars (\$15,000) multiplied by the number of students accommodated as a result of the school building construction program.

However, if a school corporation **or charter school** has sustained loss by disaster, this limitation may be waived by the state board after consulting with the department and the budget agency.

SECTION 42. IC 20-49-4-14, AS ADDED BY P.L.2-2006, SECTION 172, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 14. An advance for an educational technology program is without limitation in amount other than the availability of funds in the fund for this purpose and the ability of the school corporation **or charter school** desiring an advance to pay the advance according to the terms of the advance.

SECTION 43. IC 20-49-4-15, AS ADDED BY P.L.2-2006, SECTION 172, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 15. (a) Money advanced to a school corporation **or charter school** for a school building construction program may be advanced for a period not exceeding twenty-five (25) years. The school corporation **or charter school** to which money is advanced must pay interest on the advance. For advances made before July 1, 1993, the state board may provide, either before an advance is



made or before an advance is fully paid, that the payment of the advance may not be prepaid by more than six (6) months. For advances made after June 30, 1993, for school building construction programs, the state board may provide that the advances are prepayable at any time.

(b) The state board of finance shall periodically establish the rate or rates of interest payable on advances for school building construction programs as long as:

- (1) the established interest rate or rates do not exceed seven and one-half percent (7.5%); and
- (2) the interest rate or rates on advances made to school corporations with advances outstanding on July 1, 1993, bearing interest at seven and one-half percent (7.5%) or more shall not exceed four percent (4%).

SECTION 44. IC 20-49-4-16, AS ADDED BY P.L.2-2006, SECTION 172, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 16. (a) Money advanced to a school corporation **or charter school** for an educational technology program may be for a period not exceeding five (5) years. The school corporation **or charter school** to which an advance is made shall pay interest on the advance. Advances for educational technology programs may be prepaid at any time.

(b) The state board of finance shall periodically establish the rate or rates of interest payable on advances for educational technology programs as long as the established interest rate or rates:

- (1) are not less than one percent (1%); and
- (2) do not exceed four percent (4%).

SECTION 45. IC 20-49-4-17, AS ADDED BY P.L.2-2006, SECTION 172, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 17. An advance is not an obligation of the school corporation within the meaning of the limitation on or prohibition against indebtedness under the Constitution of the State of Indiana. Nothing in this chapter relieves the governing body of a school corporation **or charter school** receiving an advance of any obligation under Indiana law to qualify the school corporation **or charter school** for state tuition support. The school corporation **or charter school** shall continue to perform all acts necessary to obtain these funds.

SECTION 46. IC 20-49-4-18, AS AMENDED BY P.L.40-2014, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 18. (a) To ensure timely payment of advances according to the terms, the state may in its sole discretion withhold from funds due to school corporations **or charter schools** to which



advances are made amounts necessary to pay the advances and the interest on the advances in accordance with their respective terms. The terms of the advances shall be established by the state board after consulting with the department and upon the approval of the budget agency in advance of the time the respective advances are made. However, in the case of school corporations with advances outstanding on July 1, 1993, the withholding may be adjusted to conform with this chapter.

(b) To the extent available, funds shall first be withheld from the distribution of state tuition support. However, if this distribution is not available or is inadequate, funds may be withheld from the distribution of other state funds to the school corporation **or charter school** to which the advance is made.

(c) If an advance is made to a school corporation career and technical education school described in IC 20-37-1-1, a part of the advance and the payment obligation for that part of the advance shall be determined by allocating the advance and payment amounts among the members of the career and technical education school using the number of students from each member school corporation that are enrolled in the career and technical education school in the school year the advance is made.

SECTION 47. IC 20-49-4-19, AS AMENDED BY P.L.40-2014, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 19. ~~A~~ **Each** school corporation **or charter school** receiving an advance shall agree to have the money advanced, together with the interest on the advance, deducted from the distribution of state tuition support until all the money advanced, together with the interest on the advance, has been paid. The state board and the state board of finance shall reduce each distribution of state tuition support to each school corporation **or charter school** to which an advance is made in an amount to be agreed upon by the state and the school corporation **or charter school**. If an advance is made to a school corporation career and technical education school described in IC 20-37-1-1, the reduction for a payment obligation for the advance shall be allocated as provided in section 18 of this chapter.

SECTION 48. IC 20-49-4-23, AS AMENDED BY P.L.217-2017, SECTION 139, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 23. (a) Upon request of the treasurer of state, the state board of finance may periodically sell, transfer, or liquidate agreements, in whole or in part, including without limitation the sale, transfer, or liquidation of all or any part of the principal or interest to be received at any time under one (1) or more



agreements that evidence the right of the state to make deductions from state tuition support to pay advances under this chapter under the terms and conditions that the state board of finance considers necessary and appropriate.

(b) Each sale, transfer, or liquidation under this section is subject to the following conditions:

(1) Each sale, transfer, or liquidation may be made only to a department, an agency, a commission, an instrumentality, or a public body of the state, including the Indiana bond bank.

(2) Each sale, transfer, or liquidation of agreements may be made only for cash.

(3) Payments under the sale, transfer, or liquidation must be made to the treasurer of state for the fund and reported to the state board of finance.

(4) The total amount of cash received by the fund from the sale may not be less than the outstanding principal amount of all or a part of the agreements sold plus accrued interest owed.

(5) If necessary to facilitate a sale, transfer, or liquidation, the state board or the state board of finance may agree to act on behalf of an entity described in subdivision (1) by collecting payment on advances that are:

(A) received directly from a school corporation **or charter school**, if any direct payments are received; or

(B) deducted from amounts appropriated and made available for state tuition support.

An agreement by the state board or the state board of finance under this subdivision is a valid and enforceable contractual obligation but is not a debt of the state within the meaning of the limitation against indebtedness under the Constitution of the State of Indiana.

(6) Each proposed sale, transfer, or liquidation must be reviewed by the budget committee and approved by the budget agency.

(c) The state board of finance shall notify the state board and the department of any action that the state board of finance takes under this section.

SECTION 49. IC 20-51.4-4-1, AS AMENDED BY P.L.132-2022, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 1. (a) ~~After June 30, 2022~~, A parent of an eligible student or an emancipated eligible student may establish an Indiana education scholarship account for the eligible student by entering into a written agreement with the treasurer of state on a form prepared by the treasurer of state. **Beginning July 1, 2023**, the treasurer of state



shall establish a date by which an application to establish an account **accept applications July 1 through June 30 of each year for participation in the program.** ~~for the upcoming school year must be submitted. However, for a school year beginning after July 1, 2022,~~ applications must be submitted for an eligible student not later than September 1 for the immediately following school year. The account of an eligible student shall be made in the name of the eligible student. The treasurer of state shall make the agreement available on the ~~Internet web site~~ **website** of the treasurer of state. To be eligible, a parent of an eligible student or an emancipated eligible student wishing to participate in the program must agree that:

- (1) a grant deposited in the eligible student's account under section 2 of this chapter and any interest that may accrue in the account will be used only for the eligible student's qualified expenses;
 - (2) money in the account when the account is terminated reverts to the state general fund;
 - (3) the parent of the eligible student or the emancipated eligible student will use part of the money in the account:
 - (A) for the eligible student's study in the subject of reading, grammar, mathematics, social studies, or science; or
 - (B) for use in accordance with the eligible student's:
 - (i) individualized education program;
 - (ii) service plan developed under 511 IAC 7-34;
 - (iii) choice special education plan developed under 511 IAC 7-49; or
 - (iv) plan developed under Section 504 of the federal Rehabilitation Act of 1973, 29 U.S.C. 794;
 - (4) the eligible student will not be enrolled in a school that receives tuition support under IC 20-43; and
 - (5) the eligible student will take the statewide assessment, as applicable based on the eligible student's grade level, as provided under IC 20-32-5.1, or the assessment specified in the eligible student's:
 - (A) individualized education program developed under IC 20-35;
 - (B) service plan developed under 511 IAC 7-34;
 - (C) choice special education plan developed under 511 IAC 7-49; or
 - (D) plan developed under Section 504 of the federal Rehabilitation Act of 1973, 29 U.S.C. 794.
- (b) A parent of an eligible student may enter into a separate



agreement under subsection (a) for each child of the parent. However, not more than one (1) account may be established for each eligible student.

(c) The account must be established under subsection (a) by a parent of an eligible student or an emancipated eligible student ~~for a school year on or before a date established by the treasurer of state, which must be at least thirty (30) days before the fall ADM count date established by the state board under IC 20-43-4-3; not later than seven (7) days after the date that the treasurer of state approves an application submitted under subsection (a).~~ A parent of an eligible student or an emancipated eligible student may not enter into an agreement under this section or maintain an account under this chapter if the eligible student receives a choice scholarship under IC 20-51-4 for the same school year. An eligible student may not receive a grant under section 2 of this chapter if the eligible student is currently ~~included~~ **enrolled** in a school ~~corporation's~~ **corporation**. ~~ADM count under IC 20-43-4.~~

(d) Except as provided in subsections (e) and (f), an agreement made under this section is valid for one (1) school year while the eligible student is in kindergarten through grade 12 and may be renewed annually. Upon graduation, or receipt of a certificate of completion under the eligible student's individualized education program, the eligible student's account is terminated.

(e) An agreement entered into under this section terminates automatically for an eligible student if:

- (1) the eligible student no longer resides in Indiana while the eligible student is eligible to receive grants under section 2 of this chapter; or
- (2) the account is not renewed within three hundred ninety-five (395) days after the date the account was either established or last renewed.

If an account is terminated under this section, money in the eligible student's account, including any interest accrued, reverts to the state general fund.

(f) An agreement made under this section for an eligible student while the eligible student is in kindergarten through grade 12 may be terminated before the end of the school year if the parent of the eligible student or the emancipated eligible student notifies the treasurer of state in a manner specified by the treasurer of state.

(g) A distribution made to an account under section 2 of this chapter is considered tax exempt as long as the distribution is used for a qualified expense. The amount is subtracted from the definition of



adjusted federal gross income under IC 6-3-1-3.5 to the extent the distribution used for the qualified expense is included in the taxpayer's adjusted federal gross income under the Internal Revenue Code.

(h) The department shall establish a student test number as described in IC 20-19-3-9.4 for each eligible student. The treasurer of state shall provide the department information necessary for the department to comply with this subsection."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 391 as reprinted February 28, 2023.)

BEHNING

Committee Vote: yeas 8, nays 4.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Engrossed Senate Bill 391, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Replace the effective dates in SECTIONS 5 through 6 with "[EFFECTIVE UPON PASSAGE]".

Replace the effective dates in SECTIONS 31 through 41 with "[EFFECTIVE UPON PASSAGE]".

Page 2, delete lines 10 through 38.

Page 7, line 4, delete "June 30, 2023," and insert "**May 10, 2023**,".

Page 7, delete lines 31 through 42.

Delete pages 8 through 28.

Page 29, delete lines 1 through 21, begin a new paragraph and insert:

"SECTION 6. IC 20-24-14 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]:

Chapter 14. Charter School Facility Grant Program

Sec. 1. This chapter does not apply to a virtual charter school or an adult high school.

Sec. 2. As used in this chapter, "grant" refers to a grant awarded to a charter school under this chapter.

Sec. 3. As used in this chapter, "program" refers to the charter

ES 391—LS 7109/DI 51



school facility grant program established by section 4 of this chapter.

Sec. 4. (a) The charter school facility grant program is established to provide grants to charter schools that may be used for the following:

- (1) The purposes listed in IC 20-40-9-6 for which a school corporation may use money in the school corporation's operations fund.
- (2) The purposes listed in IC 20-40-18-7 for which a school corporation may use money in the school corporation's debt service fund.

(b) The state board shall administer the program.

Sec. 5. (a) The state board may award grants under this chapter, subject to appropriations by the general assembly for this purpose, to a charter school that:

- (1) applies on a form and in a manner established by the state board;
- (2) submits with the application a budget plan to the state board detailing the expenses for which money from a grant awarded under this chapter would be used;
- (3) submits with the application a facilities master plan and the associated facilities budget plan; and
- (4) submits any other information prescribed by the state board.

(b) The amount of a grant awarded under this chapter to a charter school may not exceed the amount equal to:

- (1) the applicable charter school's current ADM, not including students for whom, of the instructional services that the students receive from the charter school, more than fifty percent (50%) is virtual instruction; multiplied by
- (2) five hundred dollars (\$500).

(c) If the total amount to be distributed as grants from the program in a state fiscal year exceeds the amount available for distribution, the amount to be distributed to each charter school eligible to receive a grant under subsection (a) shall be proportionately reduced so that the total reductions equal the amount of the excess.

Sec. 6. Money appropriated by the general assembly to the program may not be considered as a stream of revenue against which any bond, lease, or other obligation may be pledged.

SECTION 7. IC 20-26-7-5, AS AMENDED BY P.L.233-2015, SECTION 108, IS AMENDED TO READ AS FOLLOWS



[EFFECTIVE JULY 1, 2023]: Sec. 5. **Except as otherwise provided in IC 20-26-7.1**, a school corporation (as defined in IC 36-1-2-17) may convey property owned by the school corporation to a civil city or other political subdivision for civic purposes if:

- (1) the governing body adopts a resolution recommending the transfer and conveyance of the school property;
- (2) the civil city or political subdivision agrees to accept the school property; and
- (3) the governing body executes a deed for the school property.

SECTION 8. IC 20-26-7-39, AS ADDED BY P.L.1-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 39. (a) **Except as otherwise provided in IC 20-26-7.1**, if:

- (1) a school corporation; and
- (2) the state, either in the name of the state or in the name of the trustees of an agency of the state;

each own improved or unimproved real estate that lies within the boundaries of the school corporation and that is not needed or required for the purpose for which it was acquired, the school corporation and the state may sell, trade, exchange, or convey to or with each other the unneeded real estate upon such terms and conditions mutually agreed upon and incorporated in an agreement between the trustees or board of trustees of the school corporation and the state or, if the real estate is held in the name of the trustees of an agency of the state, by the trustees.

(b) A value must be assigned to each parcel of real estate involved in the sale, trade, or exchange in the agreement. The assigned value must be the fair market value of the real estate as determined by three (3) appraisers appointed as follows:

- (1) One (1) to be appointed by the board of trustees of the school corporation.
- (2) One (1) to be appointed by the state or, if the real estate is held in the name of the trustees of an agency of the state, by the trustees.
- (3) One (1) to be appointed by the two (2).

(c) The agreement must provide for payment by the party owning the real estate of the smaller value to the other party of the difference of value of the properties.

SECTION 9. IC 20-26-7-47 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: **Sec. 47. (a) The following definitions apply throughout this section:**

ES 391—LS 7109/DI 51



- (1) "Covered school building" has the meaning set forth in IC 20-26-7.1-2.1.
- (2) "Current school year" refers to a year in which the governing body is required to conduct a review of school building usage under subsection (c).
- (3) "Enrollment" refers to students counted in ADM (as defined in IC 20-43-1-6) in the first count date for a school year fixed under IC 20-43-4-3.
- (4) "Interested person" has the meaning set forth in IC 20-26-7.1-2.2.
- (b) This section applies to a school corporation only if:
- (1) the total student enrollment for in-person instruction in the school corporation in the current school year is at least ten percent (10%) less than the student enrollment for in-person instruction in the school corporation in a school year that precedes the current school year by five (5); and
 - (2) the school corporation in the current school year has more than one (1) school building serving the same grade level as the school building subject to closure under this section.
- (c) Each school year, the governing body of a school corporation shall review the usage of school buildings used by the school corporation to determine whether any school building should be closed for the ensuing school year and subsequent school years.
- (d) A school corporation may close a school building for the ensuing school year (and subsequent school years) if:
- (1) at any time the school building had been used for classroom instruction;
 - (2) in the current school year and the two (2) school years immediately preceding the current school year the school building was underutilized for classroom instruction purposes or other allowable uses specified by this section;
 - (3) as of the end of the school year before the school building is required to be closed under this section, the school corporation was not subject to a transitional plan adopted by the governing body and approved by the department to use the school building for an allowable use not later than the next school year after the school building is otherwise required to be closed under this section;
 - (4) in the case of a school building that was used in any part in the current school year for instructional purposes, the school corporation has another school building:
 - (A) with sufficient capacity to take the students using the



school building being considered for closure; and

(B) that does not require more than twenty (20) minutes of travel time from the school building being considered for closure; and

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

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

(1) The number of full-time equivalent students enrolled for in-person instruction in the school building on instructional days (as determined under IC 20-30-2) for instructional purposes, averaged over the current school year and the two

(2) school years immediately preceding the current school year, is at least sixty percent (60%) of:

(A) the known classroom design capacity of the school building; or

(B) if the design capacity is not known, the average maximum full-time equivalent enrollment in any of the last twenty-five (25) years, as validated by records created or maintained by the department.

(2) 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 distinct student population that reasonably cannot be served through integration with the general school population, such as students attending an alternative education program (as defined in IC 20-30-8-1). However, to be an allowable use under this subdivision, the average number of full-time equivalent students using the school building in a school year for instructional purposes must be at least thirty percent (30%) of:

(A) the known classroom design capacity of the school building; or

(B) if the design capacity is not known, the average maximum full-time equivalent enrollment in any of the last twenty-five (25) years, as validated by records created or maintained by the department; and

(if multiple school buildings are used for the same purposes) combining the student populations into fewer school buildings



is not reasonably feasible.

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

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

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

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

(A) is not contesting the petition; or

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

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

(k) If the school corporation:



(1) files a response that the school corporation is not contesting the petition; or
 (2) fails to submit a timely response under subsection (j);
 the department shall issue an order granting the petition. A petition and any response or reply are public documents.

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

(m) The department shall make a determination regarding a petition under subsection (h) not more than one hundred twenty (120) days after the date that the:

- (1) petitioner and any intervening party have submitted a reply under subsection (l); or
- (2) time period to reply under subsection (l) has expired.

(n) A school corporation or another party to the proceeding may file with the state board a petition requesting review of the department's determination. Upon receipt of a petition under this subsection, the state board shall review the department's determination. An appeal to the state board shall be subject to the procedure described in IC 20-26-11-15(b).

(o) Upon the issuance of a final unappealable order granting a petition, the school corporation may make the school building available for lease or purchase in accordance with IC 20-26-7.1.

SECTION 10. IC 20-26-7-48 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 48. (a) The following definitions apply throughout this section:

- (1) "Current school year" refers to a year in which the governing body is required to conduct a review of school building usage under section 47(c) of this chapter.
- (2) "Enrollment" refers to students counted in ADM (as defined in IC 20-43-1-6) in the first count date for a school year fixed under IC 20-43-4-3.

- (b) This section applies to a school corporation only if:
- (1) the total student enrollment for in-person instruction in the school corporation in the current school year is at least ten percent (10%) less than the student enrollment for in-person instruction in the school corporation in a school year that precedes the current school year by five (5); and
 - (2) the school corporation in the current school year has more



than one (1) school building serving the same grade level as a school building subject to closure under section 47 of this chapter.

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

(1) A listing of all buildings owned or leased by the school corporation that were originally designed as a school building.

(2) The following information for each building listed in 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).

SECTION 11. IC 20-26-7.1-1, AS ADDED BY P.L.270-2019, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 1. This chapter does not apply to **a the following:**

(1) A school building that on July 1, 2011, is leased or loaned by the school corporation that owns the school building to another entity, if the entity is not a building corporation or other entity that is related in any way to, or created by, the school corporation or the governing body.

(2) A school corporation that distributes money that is received as part of a tax levy collected under IC 20-46-1 or IC 20-46-9 to an applicable charter school.

SECTION 12. IC 20-26-7.1-2.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 2.1. As used in this chapter, "covered school building" means a school building that is owned



by a school corporation or any other entity that is related in any way to, or created by, the school corporation or the governing body, including a building corporation, and that has at any time been used for classroom instruction.

SECTION 13. IC 20-26-7.1-2.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: **Sec. 2.2. As used in this chapter, "interested person" refers to the following:**

- (1) Each state educational institution.
- (2) Each charter school in a county where a school corporation with a covered school building subject to closure is located.
- (3) All charter school authorizers (excluding school corporation authorizers as defined in IC 20-24-1-2.5(1)).
- (4) Each trade or professional organization representing charter schools listed as an organization representing charter schools on the website of the department or otherwise known to a school corporation with a covered school building subject to closure.
- (5) The Indiana charter school board.
- (6) Each charter school that is not described in subdivision (2) that has provided a written notice of interest in a covered school building to the department.

SECTION 14. IC 20-26-7.1-2.8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: **Sec. 2.8. When a notice is given to an authorizer under this chapter or IC 20-26-7-47, the authorizer is responsible for notifying all charter schools authorized by or applying for authorization by the authorizer. The authorizer must provide the notice to charter schools not more than ten (10) days after the authorizer received the notice.**

SECTION 15. IC 20-26-7.1-3, AS AMENDED BY P.L.155-2021, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: **Sec. 3. (a) This subsection applies to any school building that is owned by a school corporation or any other entity that is related in any way to, or created by, the school corporation or the governing body, including but not limited to a building corporation, and that has at any time been used for classroom instruction. Except as provided in section 1 of this chapter or subsection (b)(1), (b), (c), or (d), before a governing body may sell, exchange, lease, demolish, hold without operating, or dispose of a covered school building, a governing body shall do the following:**



(1) This subdivision applies after June 30, 2021. The governing body shall obtain a certification from the attorney general's office under section 8.5 of this chapter.

(2) The governing body shall make available for lease or purchase by a charter school or after June 30, 2021, a state educational institution any **covered** school building 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, including **but not limited to** a building corporation, that

(A) is vacant or unused; and

(B) was previously used for classroom instruction;

the governing body elects to close or the school corporation is required to close under IC 20-26-7-47, in order for the covered school building to be used by a:

(1) charter school to conduct ~~kindergarten~~ **prekindergarten** through grade 12 classroom instruction; or ~~to be used by a~~

(2) state educational institution for an academic purpose.

(b) The following are not required to comply with this chapter:

(1) A governing body that vacates a **covered** school building in order to:

(A) renovate the **covered** school building for a future **allowable** use by the school corporation **as permitted under IC 20-26-7-47**; or

(B) demolish the **covered** school building and build a new school building on the same site as the demolished building.

(2) An emergency manager of a distressed school corporation under IC 6-1.1-20.3.

(3) The governing body of the School City of East Chicago school corporation for the Carrie Gosch Elementary School building.

(c) **Notwithstanding subsection (a), a lease entered into by This section does not apply to a covered school building in which a governing body under IC 20-26-5-4(a)(7) entered a lease prior to January 1, 2019, with a state accredited nonpublic school. shall remain in full force and effect.** In addition, the governing body may, during or at the expiration of the term of such lease, sell the school building leased under IC 20-26-5-4(a)(7) to the nonpublic school at a purchase price mutually agreed to by the governing body and the nonpublic school.

(d) This section does not apply to a covered school building of a school corporation to which the following apply:

(1) The school corporation had, before January 1, 2023, entered into a lease or memorandum of understanding with



a nonprofit organization exempt from federal taxation under Section 501(c)(3) through 501(c)(7) of the Internal Revenue Code for the use of the covered school building.

(2) The lease or memorandum of understanding described in subdivision (1):

(A) continues in effect;

(B) is renewed; or

(C) is replaced by a new lease or memorandum of understanding that is entered into between the school corporation and the nonprofit organization described in subdivision (1).

(3) The nonprofit organization described in subdivision (1) uses the covered school building for an educational purpose throughout the term of any lease or memorandum of understanding.

If at any time the conditions under subdivisions (2) and (3) are not met, the covered school building is subject to IC 20-26-7-47 and this chapter.

(e) A covered school building that a school corporation closes or is required to close may not be retained by the school corporation for storage or office use unless the conditions of IC 20-26-7-47(e)(3), IC 20-26-7-47(e)(4), or IC 20-26-7-47(e)(5) are met.

SECTION 16. IC 20-26-7.1-4, AS AMENDED BY P.L.155-2021, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 4. (a) A school corporation may notify the department any time after the governing body elects to close a covered school building. The school corporation shall notify the department in the annual report required under IC 20-26-7-48 that the school corporation elects to or is required under IC 20-26-7-47 to close a covered school building. The notice must be in the annual report submitted under IC 20-26-7-48 after the school elects to or is required to close the covered school building. The department shall notify interested persons concerning the availability of a covered school building under subsection (d).

(b) Not later than ~~ten (10)~~ fifteen (15) days after: passing a resolution or taking other official action to close; no longer use; or no longer occupy a school building that was previously used for classroom instruction under section 3 of this chapter;

(1) the department receives the earliest notice under subsection (a); or

(2) if the department determines that a covered school



building qualifies for closure under IC 20-26-7-47, the date a final order to close a covered school building is issued under IC 20-26-7-47;

the governing body shall **take the actions specified by this subsection and subsection (c). The department may order a school corporation to comply with this subsection and subsection (c) and request that the attorney general enforce the order under section 9(a) of this chapter.**

~~(1) notify the department of the official action and the effective date that the school building will be closed, no longer used, or no longer occupied;~~

(c) The governing body shall do the following:

~~(2) (1) Make the covered school building available for inspection by a charter school or state educational institution that notifies the department that it is interested in leasing or purchasing the covered school building, described under section 3 of this chapter; and~~

~~(3) (2) Make the following information available to a charter school or state educational institution described in subdivision (2): (1):~~

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

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

(C) A legal description of the property.

~~(b) (d) Within Not later than five (5) fifteen (15) days of after the earlier of:~~

~~(1) receiving the earliest notice under subsection (a)(1); subsection (a); or~~

~~(2) if the department determines that a covered school building qualifies for closure under IC 20-26-7-47, the date a final unappealable order to close a covered school building is issued under IC 20-26-7-47;~~

the department shall **place a notice on the department's website that the covered school building is available for purchase or lease under this chapter and** provide written notification to each state educational institution, charter school authorizer (excluding school corporation authorizers as defined in IC 20-24-1-2.5(1)), and statewide organizations representing charter schools in Indiana of the school



corporation's resolution or official action described in subsection (a); **interested person**, including the date when the **covered** school building will close, no longer be used, or become vacant.

~~(c)~~ **(e)** The school corporation shall lease the **covered** school building to a charter school or state educational institution for one dollar (\$1) per year for as long as the state educational institution uses the **covered school** building for an academic purpose or the charter school uses the **covered** school building for classroom instruction, for a term at the state educational institution's or charter school's discretion, or sell the **covered** school building for one dollar (\$1), if the charter school or state educational institution does the following:

(1) Within ~~thirty (30)~~ **ninety (90)** days of receiving the department's notice under subsection ~~(b); (d)~~, a charter school or state educational institution must submit a preliminary request to purchase or lease the **covered** school building.

(2) Subject to subsection ~~(d); (f)~~, within ninety (90) days of receiving the department's notice under subsection ~~(b); (d)~~, a charter school or state educational institution must submit to the school corporation the following information:

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

(B) A time frame, which may not exceed two (2) 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 ~~vacant or unused~~ **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 ~~the~~ 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.

~~(D)~~ This clause applies to a ~~vacant or unused~~ school building with more than two hundred thousand (200,000) gross square feet. In addition to the information provided in clauses (A)



through (C); a charter school shall submit the following:

(i) The charter school's projected enrollment when all of the grade levels are added.

(ii) A letter from the charter school's authorizer or prospective authorizer that indicates that the charter school's authorizer or prospective authorizer has reviewed the items described in clauses (B) through (C) and that the projected enrollment of the charter school when all of the grade levels are added or fully implemented will be at least sixty percent (60%) of the maximum annual student enrollment of the school building during the past twenty-five (25) years as validated by records maintained or created by the department.

(d) (f) If the department does not receive any preliminary requests to purchase or lease a **covered** school building within the time frame described in subsection (e)(1), and ~~except as provided in section 7 of this chapter;~~ **(e)(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 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). and ~~section 8 of this chapter:~~

(e) (g) **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 (k).** Except as provided in subsection (g); In the event that two (2) or more charter schools ~~but no state educational institutions;~~ submit a preliminary request to purchase or lease a **covered** school building within the time frame described in subsection (e)(1); **(e)(1)**, the department shall send notification to ~~an authorizer described in IC 20-24-1-2.5(3) and each statewide charter school authorizer and statewide organization representing charter schools in Indiana (excluding school corporation authorizers as defined in IC 20-24-1-2.5(1));~~ **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 ~~(e)(2)~~ **(k)** to purchase or lease the **covered** school building or determine if two (2) or more charter schools should co-locate within the **covered** school building. The committee shall ~~give priority to a charter school located within one (1) mile of the vacant or unused school building;~~ **base the committee's decision on the following criteria:**

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

In the event that the committee determines that two (2) or more charter schools should co-locate in the **covered** school building, ~~and, if applicable, that the combined enrollment of the charter schools will meet or exceed the requirements in subsection (e)(2)(D);~~ the charter schools have sixty (60) days to submit a memorandum of understanding stating that the charter schools shall be jointly and severally liable for the obligations related to the sale or lease of the **covered** school building, and specifying how the charter schools will utilize the **covered** school building and share responsibility for operational, maintenance, and renovation expenses. If the charter schools are unable to agree, the charter schools shall be deemed to have revoked their prior request regarding the lease or sale of the **covered** school building. **The committee shall give notice of the committee's decision to the school corporation and each interested person. A charter school that is not selected by the authorizer committee may appeal the decision to the state board not more than thirty (30) days after receipt of the authorizer committee's decision. The state board shall issue a final order in the appeal not more than sixty (60) days after receipt of a properly filed appeal. Notice of the appeal and the final order in the appeal must be given to the school corporation.**

~~(f) If two (2) or more state educational institutions but no charter schools submit timely preliminary requests under subsection (e)(1) regarding a school building, the secretary of education shall appoint three (3) representatives of other state educational institutions. The appointed representatives shall act as a committee to determine which of the state educational institutions that have submitted preliminary requests as described in this subsection is best able to meet the needs~~



of the students in the locality in which the school building is located. Not later than sixty (60) days after the date that the secretary of education appoints the committee of representatives under this subsection, the committee of representatives shall:

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

(2) determine if two (2) or more state educational institutions should co-locate within the school building.

(g) If one (1) or more charter schools and one (1) or more state educational institutions submit timely preliminary requests under subsection (c)(1) regarding a school building, the charter school shall be provided preference to the school building. If more than one (1) charter school submits timely preliminary requests under subsection (c)(1) regarding a school building, the determination of which charter school may obtain the school building shall be resolved in the manner prescribed in subsection (e).

(h) If a charter school does not submit a preliminary request to purchase or lease the covered school building and only one (1) state educational institution submits a preliminary request to purchase or lease the covered school building, the department shall:

(1) notify the school corporation of the identity of the state educational institution; and

(2) direct the school corporation to complete a sale or lease to the state educational institution in accordance with subsection (k).

(i) If one (1) or more state educational institutions submit preliminary requests to purchase or lease a covered school building, a selection committee shall be established consisting of one (1) member appointed by the executive of the largest city or town in the county in which the covered school building is located, one (1) member appointed by the city or town council of the largest city or town in the county in which the covered school building is located, one (1) member appointed by the county commissioners of the county in which the covered school building is located, one (1) member appointed by the county council of the county in which the covered school building is located, and one (1) member appointed by the chamber of commerce of the county in which the covered school building is located.

(j) Not later than sixty (60) days after the date that a member is appointed under subsection (i), the committee shall:

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



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

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

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

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

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

The term of the lease shall be established at the charter school's or state educational institution's discretion and include an option for the state educational institution or charter school to purchase the **covered** school building for one dollar (\$1). Alternatively, the school corporation shall sell the **covered** school building to the charter school or ~~the~~ state educational institution for one dollar (\$1), if the charter school or ~~the~~ state educational institution has met the requirements set forth in subsection ~~(e)~~ **(e)** and uses the ~~vacant or unused~~ **covered** school building in the manner prescribed by this subsection. **If the charter school or state educational institution selected to lease or purchase the covered school building has met the requirements under subsection (e), the school corporation has not more than ninety (90) days after the date notice of a final unappealable decision is received by the school corporation to complete the lease or sale of the covered school building to the charter school or state educational institution. If the transaction is not completed within ninety (90) days, the department or the selected charter school or state educational institution may, under section 9 of this chapter, request that the attorney general enforce the sale or lease or may file suit to enforce the sale or lease.** If a charter school or state educational institution has not met the requirements under subsection ~~(e); (e)~~, the school corporation may ~~subject to section 7 of this chapter,~~ 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).** ~~and section 8 of this chapter.~~

ES 391—LS 7109/DI 51



SECTION 17. IC 20-26-7.1-4.5, AS ADDED BY P.L.155-2021, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 4.5. (a) After a governing body passes a resolution or takes official action to close, no longer use, or no longer occupy a **covered** school building ~~that was previously used for classroom instruction under section 3 of this chapter; or the covered school building is required to be closed under IC 20-26-7-47,~~ a school corporation is responsible for meeting the requirements described in subsection (b) until the applicable **covered** school building is:

- (1) sold or leased to a charter school or state educational institution;
- (2) ~~sold to an accredited nonpublic school or postsecondary educational institution other than a state educational institution under section 7 of this chapter; or~~
- (3) ~~(2)~~ eligible to be sold or otherwise disposed in accordance with IC 36-1-11, IC 20-25-4-14, **and** IC 20-26-5-4(a)(7). ~~and section 8 of this chapter.~~

(b) During the period described in subsection (a), a school corporation is:

- (1) responsible for the maintenance of a ~~vacant or unused covered~~ school building, including:
 - (A) protection against theft or vandalism;
 - (B) fire protection; and
 - (C) ensuring the vacant or unused school building is not damaged during adverse weather conditions;
- (2) responsible for maintaining the physical condition of the ~~vacant or unused covered~~ school building in the same physical condition the applicable **covered** school building was on the last day that it was used for classroom instruction; and
- (3) financially responsible for any damage or destruction that occurs to the ~~vacant or unused covered~~ school building.

SECTION 18. IC 20-26-7.1-5, AS AMENDED BY P.L.155-2021, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 5. (a) ~~If a school building is sold to a charter school or state educational institution under section 3 or 4 of this chapter and the charter school or the state educational institution; or any subsequent owner; subsequently sells or transfers~~

- (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(e) 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. ~~the~~ If a charter school or state educational institution or subsequent owner, 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 ~~vacant covered~~ school building to the charter school or ~~the~~ 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.

~~(b)~~ **(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. 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) years after acquiring the **covered** school building, the **covered** school building shall revert to the school corporation, which may sell or otherwise dispose of the **covered** school building under IC 36-1-11.

SECTION 19. IC 20-26-7.1-6, AS AMENDED BY P.L.155-2021, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 6. During the term of a lease under section 4 of this chapter, the charter school or ~~the~~ state educational institution is responsible for the direct expenses related to the **covered** school building leased, including utilities, insurance, maintenance, repairs, and remodeling. If the lease involves co-locating charter schools or a co-location with a state educational institution, the obligations under the lease of the **covered** school building shall be joint and several. The



school corporation is responsible for any debt incurred for or liens that attached to the **covered** school building before the charter school or **state educational institution** leased the **covered** school building.

SECTION 20. IC 20-26-7.1-7 IS REPEALED [EFFECTIVE JULY 1, 2023]. Sec. 7. (a) As used in this section, "accredited nonpublic school" means a nonpublic school that:

- (1) has voluntarily become accredited under IC 20-31-4.1; or
- (2) is accredited by a national or regional accrediting agency that is recognized by the state board.

(b) This section applies to a school building with a gross square footage of two hundred thousand (200,000) square feet or less.

(c) If the school corporation receives notification from the department that the department has not received any preliminary requests to purchase or lease a vacant or unused school building under section 4(c)(1) of this chapter or a charter school or state educational institution has not met the requirements under section 4(c)(2) or 4(e) of this chapter, the school corporation must sell the school building to an accredited nonpublic school or a postsecondary educational institution other than a state educational institution that sends a letter of intent to the school corporation to purchase the vacant or unused school building for an amount not more than the minimum bid for the vacant or unused school building determined in accordance with IC 36-1-11; or an amount agreed to by both parties.

(d) The accredited nonpublic school or postsecondary educational institution, other than a state educational institution, must submit its letter of intent to purchase the school building within thirty (30) days of the date the school corporation passes a resolution or takes other official action to close, no longer use, or no longer occupy a school building that was previously used for classroom instruction. However, in the event that a charter school or state educational institution has submitted a preliminary request to purchase or lease a school building, the accredited nonpublic school or postsecondary educational institution other than a state educational institution may send a letter of intent to purchase or lease the school building within ninety (90) days of the date that the school corporation passed a resolution or took official action to close, no longer use, or no longer occupy a school building.

(e) Within forty-five (45) days of notice of the minimum bid, the accredited nonpublic school or postsecondary educational institution other than a state educational institution must provide a binding offer to the school corporation to purchase the property in its current condition and provide a nonrefundable down payment equal to five



percent (5%) of the minimum bid or an amount agreed to by both parties. In the event that two (2) or more binding offers are submitted to the school corporation under this subsection, the school corporation may select which offer to accept.

(f) If the sale of the property does not close within one hundred eighty (180) days of the school corporation's receipt of the binding offer, and the delay in closing is not caused by the school corporation or its representatives, the school corporation may refund the down payment and sell or otherwise dispose of the school building under IC 20-25-4-14; IC 20-26-5-4(a)(7); or IC 36-1-11.

SECTION 21. IC 20-26-7.1-8 IS REPEALED [EFFECTIVE JULY 1, 2023]. Sec. 8: (a) This section applies to the sale of a vacant or unused school building with more than two hundred thousand (200,000) gross square feet under IC 36-1-11, as permitted by this chapter.

(b) In determining whether to accept a proposal to purchase and redevelop the school building and any adjacent property, the governing body must ensure that a charter school that is located within one (1) mile of the site to be redeveloped and has notified the governing body in writing of its interest in locating the charter school on the redeveloped site is provided with the opportunity to lease adequate facilities on the redeveloped site at fifty percent (50%) or less than the current market rate for the redeveloped property or a rate agreed upon by the parties.

(c) In the event that a charter school does not enter into a lease for the appropriate facilities as part of the initial development of the school building parcel, this section shall no longer be binding on the school corporation or the purchaser of the property, which shall not be required to make the space available for use by another charter school.

SECTION 22. IC 20-26-7.1-8.5 IS REPEALED [EFFECTIVE JULY 1, 2023]. Sec. 8-5: (a) This section applies after June 30, 2021.

(b) Except as provided in section 3(b)(1) of this chapter, if a governing body passes a resolution to sell, exchange, lease, demolish, hold without operation, or dispose of a school building, the governing body of the school corporation must receive a certification from the attorney general to ensure that the governing body is in compliance with the requirements of this chapter. The governing body of the school corporation shall submit an application, not later than fifteen (15) days after the governing body passes the resolution described in this subsection, to the attorney general in a manner prescribed by the attorney general. The attorney general shall approve or deny a certification within thirty (30) days of the date the request for



certification is received by the attorney general. If the attorney general denies a certification under this section, the attorney general shall provide the specific reason why the request for certification was denied. If a governing body's request for certification is denied under this subsection, the governing body may reapply for certification upon remedying the reason for the attorney general's certification denial.

(c) A contract entered by a school corporation to sell, lease, demolish, or otherwise dispose of a school building without receiving a certification from attorney general under this section is null and void.

(d) The attorney general shall submit all certification findings to the department, which shall post the attorney general's certification findings on the department's Internet web site.

SECTION 23. IC 20-26-7.1-9, AS AMENDED BY P.L.155-2021, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 9. (a) The attorney general shall investigate complaints that a school corporation has not complied with the requirements under this chapter if the complaint is filed within one (1) year of the date in which the governing body is alleged to have taken an official action that does not comply with this chapter. The attorney general shall notify the school corporation of the investigation within five (5) business days of receipt of a complaint under this section. The attorney general shall complete the investigation within sixty (60) days of the date of the complaint. The school corporation must provide any information requested by the attorney general necessary to conduct the investigation. Upon completion of the investigation, the attorney general shall issue findings indicating whether the complaint is either substantiated or unsubstantiated.

(b) Subject to subsection (d), in the event that a complaint is substantiated, (a) The attorney general, in consultation with the department and state board, is authorized to take any action necessary to remedy a substantiated complaint, which may include actions to be performed by the state board or the department to ensure compliance of a school corporation under this section.

(c) Upon completion of the investigation under subsection (a), the attorney general shall publish findings of an investigation under subsection (a) on the attorney general's Internet web site. In the event a complaint is substantiated, a copy of the findings shall be sent to the state board and the department. **enforce a department or state board order under IC 20-26-7-47 or this chapter (or an order issued by the attorney general under IC 20-26-7.1 (as effective before July 1, 2023)), including equitable actions to enjoin or mandate an action of a school corporation. No final court order shall be issued until**



the school corporation has had ninety (90) days after the department or state board has issued a final order to complete a sale or lease of the covered school building. If the attorney general does not commence legal action for an injunction to enforce a final order to make a covered school building available for purchase or lease under this chapter within one hundred (100) days after the date the final order was issued, the charter school or state educational institution that submitted the preliminary notice of interest to acquire or lease the covered school building may file a civil action to enforce this chapter.

(d) (b) In addition to the remedy under subsection (a), if a school corporation does not comply with the requirements to sell or lease a vacant covered school building provided in under this chapter, as determined by the attorney general under subsection (a), the school corporation shall submit any proceeds from the sale of the vacant covered school building to the state board, which shall be distributed equally between each charter school located in the attendance area of the school corporation. If no charter schools are located in the attendance area, the state board must use the proceeds to provide grants under the charter school and innovation grant program under IC 20-24-13. The attorney general is authorized to initiate any legal action necessary to ensure compliance with this section: **chapter**.

SECTION 24. IC 20-26-7.1-10 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2023]: **Sec. 10. (a) The following may adopt rules under IC 4-22-2 to carry out this chapter:**

- (1) The department.
- (2) The state board.
- (3) The attorney general.

(b) An action to complete the closure of a covered school building or sell or lease a covered school building to a charter school or state educational institution after June 30, 2023, that is based on an action initiated in compliance with this chapter (as effective before July 1, 2023) is validated and legalized to the same extent as if all actions were taken under this chapter (as effective after June 30, 2023)."

Page 33, line 6, delete "July 1, 2023," and insert "**May 11, 2023**,".

Page 33, line 12, delete "IC 20-46-1-21" and insert "**section 21 of this chapter**".

Page 33, line 12, delete "June 30, 2023," and insert "**May 10, 2023**,".

Page 34, line 22, delete "June 30, 2023." and insert "**May 10**,



2023,".

Page 35, line 15, delete "June 30, 2023," and insert "**May 10, 2023,**".

Page 35, line 31, delete "June 30, 2023." and insert "**May 10, 2023.**".

Page 35, line 33, delete "school" and insert "**school, excluding virtual charter schools or adult high schools,**".

Page 35, line 37, after "least" insert "**fifteen**".

Page 36, line 18, delete "June 30," and insert "**May 10, 2023,**".

Page 36, line 19, delete "2023,".

Page 39, line 20, delete "June 30, 2023," and insert "**May 10, 2023,**".

Page 39, line 28, delete "school" and insert "**school, excluding virtual charter schools or adult high schools,**".

Page 39, line 37, delete "school" and insert "**school, excluding virtual charter schools or adult high schools,**".

Page 40, line 1, delete "school" and insert "**school, excluding virtual charter schools or adult high schools,**".

Page 40, line 4, delete "school" and insert "**school, excluding virtual charter schools or adult high schools,**".

Page 40, line 8, delete "school." and insert "**school, excluding virtual charter schools or adult high schools.**".

Page 40, line 21, delete "schools" and insert "**schools, excluding virtual charter schools or adult high schools,**".

Page 40, line 23, delete "schools" and insert "**schools, excluding virtual charter schools or adult high schools,**".

Page 40, line 25, delete "schools" and insert "**schools, excluding virtual charter schools or adult high schools,**".

Page 40, line 27, delete "schools" and insert "**schools, excluding virtual charter schools or adult high schools,**".

Page 40, line 29, delete "school" and insert "**school, excluding virtual charter schools or adult high schools,**".

Page 40, line 31, delete "schools" and insert "**schools, excluding virtual charter schools or adult high schools,**".

Page 40, line 35, delete "schools" and insert "**schools, excluding virtual charter schools or adult high schools,**".

Page 41, line 15, delete "June 30, 2023," and insert "**May 10, 2023,**".

Page 41, line 23, delete "June 30, 2023," and insert "**May 10, 2023,**".

Page 43, line 12, delete "June 30, 2023," and insert "**May 10, 2023,**".



Page 43, line 28, delete "June 30, 2023." and insert "**May 10, 2023.**".

Page 43, line 30, delete "school" and insert "**school, excluding virtual charter schools or adult high schools,**".

Page 43, line 34, after "least" insert "**fifteen**".

Page 43, line 39, delete "(f)." and insert "**(d).**".

Page 43, line 42, delete "(f)." and insert "**(d).**".

Page 44, line 15, delete "June 30," and insert "**May 10, 2023,**".

Page 44, line 16, delete "2023,".

Page 46, line 41, delete "June 30, 2023," and insert "**May 10, 2023,**".

Page 47, line 6, delete "school" and insert "**school, excluding virtual charter schools or adult high schools,**".

Page 47, line 8, delete "school" and insert "**school, excluding virtual charter schools or adult high schools,**".

Page 47, line 12, delete "schools" and insert "**schools, excluding virtual charter schools or adult high schools,**".

Page 47, line 16, delete "school" and insert "**school, excluding virtual charter schools or adult high schools.**".

Page 47, line 21, delete "(e)," and insert "**(f),**".

Page 47, line 22, delete "school" and insert "**school, excluding virtual charter schools or adult high schools,**".

Page 47, line 25, delete "school" and insert "**school, excluding virtual charter schools or adult high schools,**".

Page 47, line 29, delete "school." and insert "**school, excluding virtual charter schools or adult high schools.**".

Page 48, line 3, delete "schools" and insert "**schools, excluding virtual charter schools or adult high schools,**".

Page 48, line 5, delete "schools" and insert "**schools, excluding virtual charter schools or adult high schools,**".

Page 48, line 7, delete "schools" and insert "**schools, excluding virtual charter schools or adult high schools,**".

Page 48, line 9, delete "schools" and insert "**schools, excluding virtual charter schools or adult high schools,**".

Page 48, line 11, delete "school" and insert "**school, excluding virtual charter schools or adult high schools,**".

Page 48, line 13, delete "schools" and insert "**schools, excluding virtual charter schools or adult high schools,**".

Page 48, line 17, delete "schools" and insert "**schools, excluding virtual charter schools or adult high schools,**".

Page 52, line 17, after "17." insert "**(a)**".

Page 52, between lines 24 and 25, begin a new paragraph and insert:



"(b) Notwithstanding any bankruptcy, reorganization, or other insolvency proceedings with respect to a charter school, an advance to a charter school under this chapter is a preferred claim and has priority over all other claims."

Page 56, after line 36, begin a new paragraph and insert:

"SECTION 57. An emergency is declared for this act."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to ESB 391 as printed March 30, 2023.)

THOMPSON

Committee Vote: yeas 15, nays 7.

HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 391 be amended to read as follows:

Page 36, between lines 33 and 34, begin a new paragraph and insert:

"(j) This subsection applies to a resolution described in subsection (a) for a county described in section 21(a) of this chapter that is adopted after May 10, 2023. At least thirty (30) days before the resolution described in subsection (a) is voted on by the governing body, the school corporation that is pursuing the resolution and any charter school that has elected to participate under subsection (i), shall post a referendum disclosure statement on each school's respective website that contains the following information:

- (1) The salaries of all employees employed by the school corporation or charter school listed from highest salary to lowest salary.**
- (2) An acknowledgment that the school corporation or charter school is not committing any crime described in IC 35-44.1-1.**
- (3) A link to the school corporation's or charter school's most recent State Board of Accounts audit on the State Board of Accounts' website.**
- (4) The current enrollment of the school corporation or charter school disaggregated by student group and race.**
- (5) The school corporation's or charter school's high school graduation rate.**

ES 391—LS 7109/DI 51



(6) The school corporation's or charter school's annual retention rate for teachers for the previous five (5) years."

Page 44, between lines 40 and 41, begin a new paragraph and insert:

"(j) This subsection applies to a resolution described in subsection (a) for a county described in section 22(a) of this chapter that is adopted after May 10, 2023. At least thirty (30) days before the resolution described in subsection (a) is voted on by the governing body, the school corporation that is pursuing the resolution and any charter school that has elected to participate under subsection (i), shall post a referendum disclosure statement on each school's respective website that contains the following information:

(1) The salaries of all employees employed by the school corporation or charter school listed from highest salary to lowest salary.

(2) An acknowledgment that the school corporation or charter school is not committing any crime described in IC 35-44.1-1.

(3) A link to the school corporation's or charter school's most recent State Board of Accounts audit on the State Board of Accounts' website.

(4) The current enrollment of the school corporation or charter school disaggregated by student group and race.

(5) The school corporation's or charter school's high school graduation rate.

(6) The school corporation's or charter school's annual retention rate for teachers for the previous five (5) years."

(Reference is to ESB 391 as printed April 11, 2023.)

BEHNING

