

HOUSE BILL No. 1136

DIGEST OF INTRODUCED BILL

Citations Affected: IC 20-23-19.

Synopsis: School corporation reorganization. Provides that, if more than 50% of students who have legal settlement in a school corporation were enrolled in a school that is not operated by the school corporation on the 2024 fall average daily membership count date, the school corporation must be dissolved and all public schools of the school corporation must be transitioned to operating as charter schools. Establishes a new governing board, requirements, and procedures regarding the dissolution and reorganization of the applicable school corporations.

Effective: July 1, 2025.

Teshka, Thompson, O'Brien

January 8, 2025, read first time and referred to Committee on Education.



First Regular Session of the 124th General Assembly (2025)

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 2024 Regular Session of the General Assembly.

HOUSE BILL No. 1136



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 20-23-19 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2025]:
4 **Chapter 19. Dissolution and Reorganization of a School**
5 **Corporation**
6 **Sec. 1. The definitions in IC 20-24-1 apply to this chapter.**
7 **Sec. 2. This chapter applies to a school corporation in which**
8 **more than fifty percent (50%) of students who have legal**
9 **settlement in the school corporation were, on the 2024 fall ADM**
10 **count date under IC 20-43-4-3, enrolled in a school that is not**
11 **operated by the school corporation.**
12 **Sec. 3. Notwithstanding any other state law or rule, the**
13 **following apply to a school corporation described in section 2 of**
14 **this chapter:**
15 **(1) The governing body of the school corporation is dissolved**
16 **and the governing board established under section 4 of this**
17 **chapter has all powers and duties that the governing body of**



- 1 a school corporation has.
- 2 (2) All powers, duties, assets, and liabilities of the school
- 3 corporation are transferred to the new governing board
- 4 established under section 4 of this chapter.
- 5 (3) All public schools operated by the school corporation must
- 6 transition to operating as charter schools not later than July
- 7 1, 2028.
- 8 (4) The lowest performing schools of the school corporation
- 9 based on the statewide assessment program results must be
- 10 the first to transition to operating as charter schools.
- 11 (5) The school corporation's central office must cease
- 12 operations.
- 13 (6) The school corporation may not:
- 14 (A) impose any new referendum tax levies; or
- 15 (B) extend any existing referendum tax levies.
- 16 **Sec. 4. For a school corporation described in section 2 of this**
- 17 **chapter, a new governing board is established that consists of the**
- 18 **following seven (7) members:**
- 19 (1) Four (4) members appointed by the governor.
- 20 (2) One (1) member appointed by the mayor of the city or
- 21 executive of a town located within the geographic boundaries
- 22 of the school corporation that has the largest population.
- 23 (3) One (1) member appointed by the president of the fiscal
- 24 body for the county (as defined in IC 36-1-2-6).
- 25 (4) One (1) member appointed by the executive director of the
- 26 Indiana charter school board.
- 27 **Sec. 5. A governing board established under section 4 of this**
- 28 **chapter shall:**
- 29 (1) have all the powers, duties, and liabilities of a governing
- 30 body of a school corporation;
- 31 (2) oversee the dissolution of the existing school corporation,
- 32 which must be completely dissolved not later than July 1,
- 33 2028;
- 34 (3) create a uniform accountability framework for all public
- 35 schools located within the geographic boundaries of the
- 36 former school corporation that ensures low performing
- 37 schools are replaced with higher performing organizers in a
- 38 uniform manner and frequency;
- 39 (4) coordinate with authorizers to facilitate biannual charter
- 40 application cycles;
- 41 (5) recruit high performing organizers to operate schools as
- 42 the schools operated by a school corporation are transitioned



- 1 to charter schools;
- 2 (6) create the conditions for the organizers described in
- 3 subdivision (5) to succeed;
- 4 (7) ensure that all public schools located within the geographic
- 5 boundaries of the former school corporation participate in
- 6 common systems for enrollment and expulsion;
- 7 (8) have all levying authority that a school corporation has
- 8 under state law and rule; and
- 9 (9) create and implement a dissolution plan to:
- 10 (A) provide operational support to all public schools
- 11 located within the geographic boundaries of the former
- 12 school corporation;
- 13 (B) carry out subdivisions (1) through (8);
- 14 (C) collect and distribute any funds received under section
- 15 6 of this chapter, including collecting and distributing
- 16 referendum tax levy revenue in a manner that is, to the
- 17 extent possible, consistent with the original purposes and
- 18 use of the tax referendum levy revenue; and
- 19 (D) ensure parity in the distribution of local tax dollars
- 20 amongst all public schools within the geographic
- 21 boundaries of the former school corporation with full
- 22 parity being achieved by July 1, 2028.
- 23 **Sec. 6. Notwithstanding any other state law or rule, the county**
- 24 **auditor shall distribute any funds collected with regard to the**
- 25 **school corporation to the governing board established under**
- 26 **section 4 of this chapter.**
- 27 **Sec. 7. Within the geographic boundaries of the former school**
- 28 **corporation, an existing charter school continues to operate under**
- 29 **its charter with the current authorizer of the charter school.**
- 30 **Sec. 8. (a) Except as provided under subsection (b), any new**
- 31 **charter school transitioned or established under this chapter must**
- 32 **be authorized by an entity described in IC 20-24-1-2.5(2) through**
- 33 **IC 20-24-1-2.5(5) that is a current authorizer of a charter school**
- 34 **located within the geographic boundaries of the former school**
- 35 **corporation.**
- 36 **(b) If any of the authorizers described in subsection (a) cease to**
- 37 **operate as an authorizer, an entity described in IC 20-24-1-2.5(2)**
- 38 **through IC 20-24-1-2.5(5) may issue a charter for the charter**
- 39 **school in accordance with IC 20-24.**
- 40 **Sec. 9. This chapter shall be liberally construed to effect the**
- 41 **purposes of this chapter.**
- 42 **Sec. 10. Except as otherwise specifically provided by law, to the**



1 **extent the provisions of this chapter are inconsistent with the**
2 **provisions of any other general, special, or local law, the provisions**
3 **of this chapter are controlling, and compliance with this chapter**
4 **shall be treated as compliance with the conflicting law.**

