

Second Regular Session of the 123rd General Assembly (2024)

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 2023 Regular Session of the General Assembly.

SENATE ENROLLED ACT No. 270

AN ACT to amend the Indiana Code concerning education.

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

SECTION 1. IC 20-26-5-4, AS AMENDED BY P.L.201-2023, SECTION 160, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: 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

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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, 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) **Except as provided under subsections (c) and (d)**, 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. the school property continues to be used primarily for classroom instruction by the school corporation, is not subject to closure under IC 20-26-7-47, and is not a covered school building that must be made available for lease or purchase under IC 20-26-7.1. Under this subdivision, the governing body may enter into a **long term lease or use agreement** 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 or use agreement** is made from money in the school corporation's debt service fund, all proceeds from the **long term lease or use agreement** 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. **If the school property is not being used**



primarily for classroom instruction or is subject to closure under IC 20-26-7-47, the governing body must first comply with IC 20-26-7 and IC 20-26-7.1 before leasing the school 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:

(A) purchase curricular materials and to furnish curricular materials without cost; and

(B) assess and collect a reasonable fee for lost or significantly damaged curricular materials.

(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 20-26-12-1, 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.

(c) The governing body acting on the school corporation's behalf may renew a lease or memorandum of understanding described in IC 20-26-7.1-3(d) with a nonprofit organization as described in IC 20-26-7.1-3(d).

(d) The governing body acting on the school corporation's behalf may lease any school property for a rental to one (1) or both of the following:

(1) The Indiana School for the Blind and Visually Impaired established by IC 20-21-2-1.

(2) The Indiana School for the Deaf established by IC 20-22-2-1.

This subsection expires June 30, 2030.

SECTION 2. IC 20-26-7-47, AS ADDED BY P.L.189-2023, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 47. (a) The following definitions apply throughout this section:

(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 the following:

(A) Except as provided in clause (B), 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) With regard to a school corporation, students counted in a school corporation's fall count of ADM minus all students counted in the fall count of ADM who are enrolled in eligible schools that:

(i) have entered into an agreement with the school corporation to participate as a participating innovation network charter school under IC 20-25.7-5; and

(ii) are included in the school corporation's fall ADM count.

(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~~ **shall** 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 by car or bus 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%)~~ **fifty percent (50%)** 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~~ **shall** make the school building available for lease or purchase in accordance with IC 20-26-7.1.

SECTION 3. IC 20-26-7.1-1, AS AMENDED BY P.L.189-2023, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 4, 2023 (RETROACTIVE)]: Sec. 1. **(a) For purposes of this section, "charter school" does not include a virtual charter school or an adult high school.**

(b) This chapter does not apply to the following:

(1) A school building that since 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.~~



- (2) A school corporation to which all of the following apply:**
- (A) The county auditor distributes revenue after May 10, 2023, as required under IC 20-46-1-21 to each charter school described in IC 20-46-1-21(b).**
 - (B) If the school corporation listed in IC 20-46-9-22 receives revenue from a school safety referendum tax levy under IC 20-46-9, the county auditor distributes revenue after May 10, 2023, as required under IC 20-46-9-22 to each charter school described in IC 20-46-9-22(b).**

The above subdivisions are intended to apply retroactively. No referendums or distributed revenue prior to May 10, 2023, are effective to provide exemption from this chapter.

- (3) A school corporation to which all of the following apply:**
- (A) The school corporation approves a resolution after May 10, 2023, to impose an operating referendum tax levy under IC 20-46-1 after May 10, 2023, that includes sharing the revenue from the referendum tax levy in the amounts described in clause (B) with each charter school that:**
 - (i) a student who resides within the attendance area of the school corporation attends; and**
 - (ii) elects to participate in the referendum.**

The above subdivisions are intended to apply retroactively. No resolutions, referendums, or distributed revenue prior to May 10, 2023, are effective to provide exemption from this chapter.

(B) The amount of referendum tax levy revenue that the school corporation is required to share with each charter school under the resolution described in clause (A) is equal to the amount determined applying the formula under IC 20-46-1-21(d).

(C) The referendum tax levy described in clause (A) is approved by the voters.

(D) The school corporation distributes the amounts described in clause (B) to each charter school described in clause (A).

(E) If the school corporation receives revenue from a school safety referendum tax levy under IC 20-46-9, the school corporation shares the revenue from the school safety referendum tax levy with each charter school that:

- (i) a student who resides within the attendance area of the school corporation attends; and**
- (ii) elects to participate in the referendum;**



in an amount equal to the amount determined applying the formula under IC 20-46-9-22(d).

(c) In order for any payment to a charter school to qualify as sharing of proceeds from a referendum for purposes of exemption from IC 20-26-7.1, the referendum must have been passed with prior notice to voters of all amounts of referendum proceeds to be paid to charter schools. Any claim of exemption based on payment of proceeds from a referendum passed without such notice is void.

SECTION 4. IC 20-26-7.1-3, AS AMENDED BY P.L.189-2023, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 3. (a) Except as provided in section 1 of this chapter or subsection (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 make available for lease or purchase by a charter school or 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 a building corporation, that 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 prekindergarten through grade 12 classroom instruction; or
- (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, in whole or part, and build a new school building or an addition to a 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.

(4) A school corporation that has had a designation as a distressed political subdivision under IC 6-1.1-20.3 within the previous three (3) years.

(c) 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. 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 5. IC 20-26-7.1-4, AS AMENDED BY P.L.189-2023, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 4. (a) ~~A school corporation shall notify the department Not later than thirty (30) days after the date the a governing body elects to close of a school corporation determines at a public meeting to cease using a covered school building and include with the notification whether the school corporation contends that the building should or should not be made available as provided by this chapter. 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) for classroom instruction on student instructional days (as described in IC 20-30-2-2) for a school year as required under IC 20-30-2-3, a school corporation shall provide written notice to the department regarding the date that the covered school building has ceased or will cease being used for classroom instruction as described in this subsection.

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

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

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

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

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



school corporation's contention that the covered school building is not required to be made available under this chapter.

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

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

(b) (i) Not later than fifteen (15) days after:

(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 shall 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) the time expires for an appeal of the state board of a department determination under subsection (g) or IC 20-26-7-47 that a covered school building be made available; or

(2) a determination by the state board that a covered school building is to be made available is issued;

the governing body shall take the actions specified by subsection (j). If the governing body fails to take the actions, the department shall request that the attorney general enforce the order under section 9(a) of this chapter.

(c) (j) If a covered school building is to be made available, the governing body shall do the following:

(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.

(2) Make the following information available to a charter school or state educational institution described in subdivision (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.

~~(d)~~ Not later than fifteen (15) days after the earlier of:

~~(1)~~ receiving 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 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 interested person; including the date when the covered school building will close; no longer be used; or become vacant.

(k) If the governing body fails to take the actions required under subsection (j), a charter school having notified the school corporation of its interest in the covered school building is entitled to an injunction requiring the governing body to take the actions under subsection (j).

~~(e)~~ **(l)** 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 ninety (90) days of receiving the department's notice under subsection (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 ~~(f)~~, **(m)**, within ninety (90) days of receiving the department's notice under subsection (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 covered school building.

(B) A time frame, which may not exceed ~~two (2)~~ **three (3)**



years from the date that the covered school building is to be closed, no longer used, or no longer occupied, in which the:

- (i) charter school intends to begin providing classroom instruction in the covered school building; or
- (ii) state educational institution intends to begin using the covered school building for an academic purpose.

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

~~(f)~~ **(m)** 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)~~; **(l)(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).

~~(g)~~ **(n)** 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)~~; **(r)**. In the event that two (2) or more charter schools submit a preliminary request to purchase or lease a covered school building within the time frame described in subsection ~~(e)(1)~~; **(l)(1)**, the department shall send notification to each interested person and the school corporation that the department has received two (2) or more preliminary requests under this section. An authorizer committee shall be established, with each statewide authorizer that has authorized one (1) or more charter schools appointing a representative, and the committee shall establish the chairperson and procedures for the committee. Within sixty (60) days of receiving notice under this subsection, the committee shall select which charter school may proceed under subsection ~~(k)~~; **(r)** 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 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, 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 committee may appeal the decision to the state board not more than thirty (30) days after receipt of the 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.

~~(h)~~ (o) 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)~~ (r).

~~(i)~~ (p) 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)~~ **(q)** Not later than sixty (60) days after the date that a member is appointed under subsection ~~(j)~~; **(p)**, 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.

~~(k)~~ **(r)** A school corporation shall lease the covered school building for one dollar (\$1) per year to the charter school or 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
- (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 state educational institution for one dollar (\$1), if the charter school or state educational institution has met the requirements set forth in subsection ~~(e)~~ **(l)** and uses the 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)~~; **(l)**, 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)~~; **(I)**, 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).

SECTION 6. IC 20-26-7.1-5, AS AMENDED BY P.L.189-2023, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 5. (a) If:

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

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

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

(c) A charter school or state educational institution that purchases a covered school building assumes total control of the covered school building and must maintain the covered school building, including utilities, insurance, maintenance, and repairs. 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 7. IC 20-26-7.1-5.3, AS ADDED BY P.L.189-2023, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 5.3. (a) This section applies to a covered school building to which the following apply:

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

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

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

(c) **Subject to subsection (f)**, if the number of full-time equivalent students enrolled for in-person instruction in a school building on instructional days (as determined under IC 20-30-2) for instructional purposes for a school year is not at least ~~sixty fifty~~ percent ~~(60%)~~ **(50%)** of

~~(1) the known~~ classroom design capacity of the school building,
or

~~(2) 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;~~

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

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

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

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



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

SECTION 8. IC 20-26-7.1-9, AS AMENDED BY P.L.189-2023, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 9. (a) The attorney general, in consultation with the department and state board, is authorized to take any action necessary to 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 this chapter (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.

(b) 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 a charter school or state educational institution that submitted the preliminary notice of interest to acquire or lease the covered school building provides, any time before one hundred (100) days after the date the final order was issued, a written notice of interest to purchase or lease the school building to the:

- (1) school corporation;**
- (2) department; and**
- (3) office of the attorney general;**

may file a civil action to enforce this chapter.

~~(b)~~ **(c) In addition to the remedy under subsections (a) and (b), if a school corporation does not comply with the requirements to sell or lease a covered school building under this chapter, the school corporation shall submit any proceeds from the sale of the 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 chapter, including ensuring compliance by the department regarding providing notification to interested persons under section 4 of this chapter.**

(d) If a school corporation transfers a covered school building



in violation of this chapter, the transfer is void. The attorney general or a charter school may bring an action in court against the school corporation and the transferee to enjoin the violation of this chapter and void the transfer of the covered school building. If a charter school brings an action under this subsection and the court finds a school corporation transferred a covered school building in violation of this chapter, the court shall award reasonable attorney's fees to the charter school.

SECTION 9. IC 20-26-7.1-11 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: **Sec. 11. IC 20-26-7-47 and this chapter shall be liberally construed to serve the legislative purpose of making closed covered school buildings available for use by charter schools.**

SECTION 10. IC 20-46-1-8, AS AMENDED BY P.L.189-2023, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 10, 2024]: Sec. 8. (a) Subject to subsections (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) Except for resolutions described in subsection (b), 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 (e).

(b) A resolution for a referendum for a county described in section 21 of this chapter that is adopted after May 10, 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.

(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:

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- (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 (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 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.

(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.

(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. **Distribution to a charter school of**



proceeds from a referendum held before May 10, 2023, does not provide exemption from this chapter.

(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 May 10, 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).

(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;
- (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 May 10, 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).

(h) A school corporation shall specify in its proposed budget the school corporation's revenue spending plan adopted under subsection (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 May 10, 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, excluding virtual charter schools or adult high schools, 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 fifteen (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.

(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.

(6) The school corporation's or charter school's annual retention rate for teachers for the previous five (5) years.

SECTION 11. IC 20-46-8-11.2, AS ADDED BY P.L.201-2023, SECTION 214, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 11.2. (a) This section applies only to revenue collected after June 30, 2024, from a tax levy imposed under this chapter by a school corporation located in:

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

However, this section does not apply to, and distributions are not required for, a school corporation that is designated as a distressed political subdivision under IC 6-1.1-20.3.

(b) Beginning in calendar year 2025, and each year thereafter, and subject to subsections (c) and (h), the county auditor shall distribute, as provided under subsection (f), an amount of revenue received from a tax levy imposed by a school corporation under this chapter to each charter school that is eligible for a distribution under subsection (d) and as set forth in subsection (f).

(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) Not later than thirty (30) days before the date that the county auditor distributes money for a school corporation's operations fund (IC 20-40-18) under IC 6-1.1-27, the department, in consultation with the department of local government finance, shall determine the corresponding percentages of revenue received from the tax levy that must be distributed among the school corporation and each eligible charter school according to the following formula:

STEP ONE: Determine each charter school that:

- (A) is located in the same county as the school corporation;
- and



(B) provides not more than fifty percent (50%) virtual instruction for its students.

STEP TWO: Determine, for each charter school described in STEP ONE, the number of students who:

- (A) have legal settlement within the school corporation;
- (B) are currently included in the fall ADM for the charter school; and
- (C) receive not more than fifty percent (50%) virtual instruction.

STEP THREE: Determine the sum of:

- (A) the aggregate of the STEP TWO results for all applicable charter schools; plus
- (B) the fall ADM count for the school corporation for students receiving not more than fifty percent (50%) virtual instruction.

STEP FOUR: For each charter school described in STEP ONE, determine the result of:

- (A) the applicable STEP TWO amount; divided by
- (B) the STEP THREE amount;

expressed as a percentage.

STEP FIVE: Determine the sum of all the amounts computed under STEP FOUR and subtract the result from one hundred percent (100%).

(e) The department shall provide to the county auditor, immediately after calculation under subsection (d), and in the form prescribed by the county auditor:

- (1) each charter school determined under STEP ONE of subsection (d) and the charter school's corresponding percentage calculated under STEP FOUR of subsection (d); and
- (2) the percentage calculated under STEP FIVE of subsection (d) for the school corporation.

(f) The county auditor shall distribute to the school corporation and each applicable charter school the amount determined in the last STEP of the following STEPS:

STEP ONE: For each school corporation, determine a base property tax levy amount calculated as:

- (A) the sum of the school corporation's operations fund property tax levies ~~imposed~~ **collected** under this chapter in calendar years 2021, 2022, and 2023; divided by
- (B) three (3).

STEP TWO: For each school corporation, determine an incremental property tax levy amount calculated as:

- (A) the school corporation's operations fund property tax levy



collections for the current calendar year; minus

(B) the school corporation's base property tax levy **collections** determined under STEP ONE.

STEP THREE: For the school corporation and each applicable charter school, determine the result of:

(A) the incremental amount determined under STEP TWO; multiplied by

(B) the following percentage:

(i) In the case of an applicable charter school, the charter school's percentage under STEP FOUR of subsection (d).

(ii) In the case of the school corporation, the school corporation's percentage under STEP FIVE of subsection (d).

(g) Before October 1, 2024, and before October 1 of each year thereafter, the department shall provide to each school corporation and each eligible charter school an estimate of the amount of property tax levy revenue the school corporation and charter school are expected to receive under this section.

(h) In order to receive a distribution under this section, the governing body of an eligible charter school shall, before November 1, 2024, and before November 1 of each year thereafter, adopt a budget for the school year. Not later than ten (10) days before its adoption, the budget must be fixed and presented to the charter board in a public meeting in the county in which the charter school is incorporated. A budget that is adopted under this subsection must be submitted to the charter authorizer for review and to the department of local government finance to be posted publicly on the computer gateway under IC 6-1.1-17-3.

(i) Before April 1, 2025, and before April 1 of each year thereafter, the county auditor shall provide each school corporation and each eligible charter school the actual amount of property tax levy revenue the school corporation and charter school are expected to receive under this section.

SECTION 12. IC 21-18-6-8 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 8. (a) The commission shall do the following:**

(1) Study and make recommendations regarding allowing:

(A) Ivy Tech Community College to award bachelor's degrees; and

(B) Vincennes University to offer additional programs that lead to a bachelor's degree.



(2) Not later than October 31, 2024, do the following:

(A) Prepare a report regarding the study and recommendations described in subdivision (1).

(B) Submit the report to the general assembly in an electronic format under IC 5-14-6.

(b) This section expires January 1, 2025.

SECTION 13. An emergency is declared for this act.



President of the Senate

President Pro Tempore

Speaker of the House of Representatives

Governor of the State of Indiana

Date: _____ Time: _____

SEA 270 — Concur

