INDIANA CHARTERS KNOWLEDGE SERIES

Indiana Charter Schools and Local Referenda

Eligibility, participation decisions, deadlines, cost sharing, and budgeting

Referendum sharing is a separate process from ordinary operations-levy sharing. A school can understand one correctly and still mishandle the other, so the two should be planned and documented separately.

Purpose

This guide translates current Indiana law into planning guidance for charter leaders, boards, and advisers. It is educational, not legal advice. Amounts and eligibility should be confirmed against official estimates and current law before a budget is adopted.

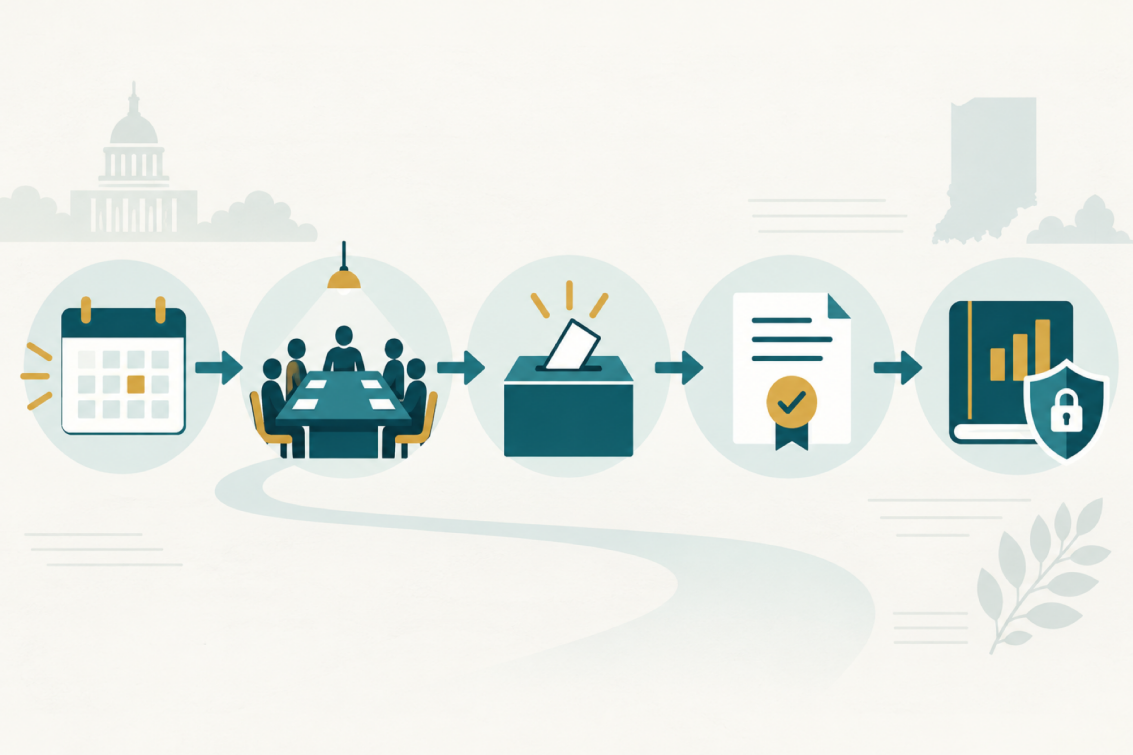
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Which law applies

For referendum levies first imposed after December 31, 2027, IC 20-46-1-22 governs charter sharing. Existing post-May 10, 2023 referenda in Lake, Marion, St. Joseph, and Vanderburgh counties are addressed separately by IC 20-46-1-21 through their full terms, unless the levy is first imposed after 2027.



A disciplined referendum process moves from early monitoring through board consideration, election results, verified allocation, and controlled budgeting.

The eligibility test

The corporation qualifies only when the aggregate number of qualifying charter students with legal settlement in that corporation is at least the greater of 100 students or 2% of the corporation's spring ADM. Because the statute uses the greater number, both practical hurdles must be satisfied. Virtual charter schools and students receiving more than 50% virtual instruction are excluded from the qualifying count.

> **The 100 students are not required to attend one particular charter. Count all qualifying students with legal settlement in the corporation who attend eligible brick-and-mortar charter schools and receive no more than 50% virtual instruction.**

Participation is a governance decision

Under IC 20-46-1-8, a charter school may participate in a referendum process and must comply with the applicable election, disclosure, and cost-sharing requirements. For post-2027 referenda, IC 20-46-1-22 generally distributes to

eligible charters unless a charter elects not to participate. The school's board and counsel should document the decision and confirm deadlines for the particular referendum.

Planning sequence

Stage	Charter action
1. Early notice	Identify the corporation, referendum type, ballot date, certified fall ADM history, and legal-settlement counts.
2. Eligibility	Test aggregate charter enrollment against both 100 students and 2% of spring ADM.
3. Election decision	Board considers participation, projected benefit, campaign restrictions, and proportional election costs.
4. Public disclosures	Coordinate required website disclosures and revenue-spending information at least 30 days before the vote when applicable.
5. Certified result	Confirm the levy, effective year, eligible charters, and IDOE percentage calculation.
6. Budget readiness	Meet charter budget adoption, public meeting, attestation, and submission requirements so distributions are not withheld.

How the distribution is calculated

- IDOE determines each eligible charter's qualifying students from the corporation.
- The denominator is those charter students plus the corporation's qualifying fall ADM.
- The charter percentage is its count divided by that combined total.
- The county auditor applies the percentage to collections from the referendum levy.
- A charter without a certified fall ADM in the year immediately before the ballot is not eligible for that referendum's distribution.

Operational checklist

- Maintain legal-settlement counts by corporation monthly; keep student-level records internal.
- Ask IDOE or the corporation for the total aggregate charter count - your school's count alone cannot prove the threshold.
- Calendar the August 15 estimate, October 15 budget adoption, and November 1 submission dates in the applicable year.
- Separate referendum revenue from operations-sharing revenue in forecasts and accounting.
- Budget campaign or election costs only after the statutory allocation and participation terms are confirmed.

What to put in the budget

Before a referendum is approved, use a scenario schedule rather than booked revenue. After approval, use the official estimate and disclose assumptions about collections, ADM, eligibility, and timing. If the charter has not completed required budget and attestation steps, do not assume the distribution will arrive on schedule.

Continue the series

- Indiana Charter School Property-Tax Sharing: What SEA 1 Changes - and What It Does Not Guarantee
- The Rural Charter Funding Gap: When 100 Students Still Is Not Enough

Primary sources

Indiana Code 20-46-1-8
https://iga.in.gov/laws/2026/ic/titles/20#20-46-1-8

Indiana Code 20-46-1-21
https://iga.in.gov/laws/2026/ic/titles/20#20-46-1-21

Indiana Code 20-46-1-22
https://iga.in.gov/laws/2026/ic/titles/20#20-46-1-22

Indiana Code 20-46-9-6
https://iga.in.gov/laws/2026/ic/titles/20#20-46-9-6

Indiana Code 20-46-8-12
https://iga.in.gov/laws/2026/ic/titles/20#20-46-8-12

DLGF: Legislative Changes to Property Tax Referenda and Controlled Projects
https://www.in.gov/dlgf/files/2025-memos/250610-Cockerill-Memo-Legislative-Changes-to-Property-Tax-Referenda-and-Controlled-Projects.pdf

This publication has not been reviewed by legal counsel and is not legal, tax, election-law, or accounting advice. It reflects the 2026 Indiana Code and publicly available materials reviewed through October 9, 2026. Future legislation, agency guidance, ADM corrections, and county calculations may change the result.