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STATE EXAMINER DIRECTIVE 2026-02

Date: June 19, 2026
Subject: HEA 1423 (2026); IC 20-25.3 (Effective March 4, 2026)
Authority: IC 5-11-1-2, IC 5-11-1-21, IC 5-11-1-27(e), IC 20-25.3-4-7, IC 20-25.3-4-8
Application: Indianapolis Public Education Corporation
Issued By: Paul D. Joyce, CPA, State Examiner

This State Examiner Directive applies solely to the new entity, Indianapolis Public Education Corporation (IPEC), created by House Enrolled Act 1423 (2026), which is codified at IC 20-25.3 (eff. March 4, 2026).

IC 20-25.3-3-1 establishes the IPEC as "a distinct municipal corporation." The IPEC is expressly "subject to required audits" by the SBOA pursuant to IC 20-25.3-4-7.

Although a "municipal corporation" under Indiana law, statute expressly provides that:

All powers delegated to the corporation under this chapter are subject to **all applicable laws subjecting a school corporation to regulation by a state agency, including** the secretary of education, **state board of accounts**, state police department, fire prevention and building safety commission, department of local government finance, environmental rules board, state school bus committee, Indiana department of health, and any local governmental agency to which the state has been delegated a specific authority in matters other than educational matters and other than finance, including plan commissions, zoning boards, and boards concerned with health and safety.


IC 20-25.3-4-8.

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Therefore, the State Examiner directs the IPEC to comply with all applicable laws, Uniform Compliance Guidelines, and directives concerning Indiana public school corporations, unless those laws are expressly in conflict with the applicable provisions of IC 20-25.3.

The SBOA intends to conduct its audits or examinations of the IPEC consistent with audits required of public school corporations.

Respectfully,


Paul D. Joyce, CPA
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