

# HOUSE BILL No. 1045

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 20-18-2-22; IC 20-28-9-28.

**Synopsis:** Teacher compensation. Includes school social workers and school psychologists in the definition of "teacher" for purposes of the requirement for school corporations to expend a certain percentage amount of state tuition support on teacher compensation. Provides that the amount a school corporation expends on costs associated with a memorandum of understanding or any other agreement entered into with a community mental health center or certified or licensed provider to provide mental or behavioral health services to students of the school corporation is included in determining the percentage amount a school corporation is expending.

**Effective:** July 1, 2025.

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## Bartels

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

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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. 1045



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 20-18-2-22, AS AMENDED BY P.L.246-2023,  
2 SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2025]: Sec. 22. (a) "Teacher" means a professional person  
4 whose position in a school corporation requires certain educational  
5 preparation and licensing and whose primary responsibility is the  
6 instruction of students.  
7 (b) Except as provided in subsections (d) and (e), for purposes of  
8 IC 20-28, the term includes the following:  
9 (1) A superintendent who holds a license under IC 20-28-5.  
10 (2) A principal.  
11 (3) A teacher.  
12 (4) A librarian.  
13 (5) A school counselor.  
14 (6) A school psychologist.  
15 (c) For purposes of IC 20-43-10-3.5, the term means a professional  
16 person whose position with a:  
17 (1) school corporation;



- 1 (2) special education cooperative established under IC 20-35-5;  
 2 (3) cooperative career and technical education program;  
 3 (4) special education program established by an interlocal  
 4 agreement under IC 36-1-7;  
 5 (5) joint program agreement established under IC 20-26-10; or  
 6 (6) charter school;

7 requires a license (as defined in IC 20-28-1-7) and whose primary  
 8 responsibility is the instruction of students in the classroom or virtual  
 9 classroom.

10 (d) "Teacher" for purposes of IC 20-28-9-26 and IC 20-28-9-27,  
 11 means a classroom teacher licensed under IC 20-28-5 who provides  
 12 instruction to students for at least fifty percent (50%) of the teacher's  
 13 work day.

14 (e) For purposes of IC 20-28-9-28, the term includes an adjunct  
 15 teacher, school counselor, **school social worker, school psychologist,**  
 16 and permanent substitute teacher employed by a school corporation.

17 SECTION 2. IC 20-28-9-28, AS AMENDED BY P.L.150-2024,  
 18 SECTION 26, AND AS AMENDED BY P.L.136-2024, SECTION 43,  
 19 AND AS AMENDED BY THE TECHNICAL CORRECTIONS BILL  
 20 OF THE 2025 GENERAL ASSEMBLY, IS CORRECTED AND  
 21 AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]:  
 22 Sec. 28. (a) *Subject to subsection (g);* **(c)**, for each school year in a state  
 23 fiscal year beginning after June 30, 2023, a school corporation shall  
 24 expend an amount for teacher compensation that is not less than an  
 25 amount equal to sixty-two percent (62%) of the state tuition support,  
 26 *other than the state tuition support described in subsection (b),*  
 27 distributed to the school corporation during the state fiscal year. For  
 28 purposes of determining whether a school corporation has complied  
 29 with this requirement, the amount a school corporation expends for  
 30 teacher compensation shall include the amount the school corporation  
 31 expends for:

- 32 (1) adjunct teachers;  
 33 (2) supplemental pay for teachers;  
 34 (3) stipends; **and for**  
 35 **(4) costs associated with a memorandum of understanding**  
 36 **under IC 20-34-3-21 or any other agreement entered into with**  
 37 **a:**  
 38 **(A) community mental health center established under**  
 39 **IC 12-29-2; or**  
 40 **(B) provider certified or licensed by the state;**  
 41 **to provide mental or behavioral health services to students of**  
 42 **the school corporation; and**



1 (5) participating in a special education cooperative or an  
 2 interlocal agreement or consortium that is directly attributable to  
 3 the compensation of teachers employed by the cooperative or  
 4 interlocal agreement or consortium.

5 *The amount a school corporation expends on teacher compensation*  
 6 *shall also include the amount the school corporation expends on*  
 7 *dropout recovery educational services for an at-risk student enrolled*  
 8 *in the school corporation provided by an agreement with an eligible*  
 9 *school that is directly attributable to the compensation of teachers*  
 10 *employed by the eligible school. Teacher benefits include all benefit*  
 11 *categories collected by the department for Form 9 purposes.*

12 *(b) If a school corporation determines that the school corporation*  
 13 *cannot comply with the requirement under subsection (a) for a*  
 14 *particular school year, the school corporation shall apply for a waiver*  
 15 *from the department.*

16 *(c) The waiver application must include an explanation of the*  
 17 *financial challenges, with detailed data, that preclude the school*  
 18 *corporation from meeting the requirement under subsection (a) and*  
 19 *describe the cost saving measures taken by the school corporation in*  
 20 *attempting to meet the requirement in subsection (a). The waiver may*  
 21 *also include an explanation of an innovative or efficient approach in*  
 22 *delivering instruction that is responsible for the school corporation*  
 23 *being unable to meet the requirement under subsection (a).*

24 *(d) If, after review, the department determines that the school*  
 25 *corporation has exhausted all reasonable efforts in attempting to meet*  
 26 *the requirement in subsection (a), the department may grant the school*  
 27 *corporation a one (1) year exception from the requirement.*

28 *(e) A school corporation that receives a waiver under this section*  
 29 *shall work with the department to develop a plan to identify additional*  
 30 *cost saving measures and any other steps that may be taken to allow*  
 31 *the school corporation to meet the requirement under subsection (a).*

32 *(f) A school corporation may not receive more than three (3)*  
 33 *waivers under this section.*

34 *(b) State tuition support distributed to a school corporation for*  
 35 *students enrolled in the school corporation who are receiving one*  
 36 *hundred percent (100%) virtual instruction from a teacher employed*  
 37 *by a third party provider with whom the school corporation has*  
 38 *contracted is not included as state tuition support distributed to the*  
 39 *school corporation for purposes of subsection (a).*

40 *(g) (c) For purposes of determining whether a school corporation*  
 41 *has complied with the requirement in subsection (a), distributions from*  
 42 *the curricular materials fund established by IC 20-40-22-5 that are*



1 deposited in a school corporation's education fund in a state fiscal  
 2 year are not considered to be state tuition support distributed to the  
 3 school corporation during the state fiscal year.

4 ~~(c)~~ **(d)** Before November 1, 2022, and before November 1 of  
 5 each year thereafter, the department shall submit a report to the  
 6 legislative council in an electronic format under IC 5-14-6 and the state  
 7 budget committee that contains information as to:

8 (1) the percent and amount that each school corporation expended  
 9 and the statewide total expended for teacher compensation;

10 (2) the percent and amount that each school corporation expended  
 11 and statewide total expended for teacher benefits, including  
 12 health, dental, life insurance, and pension benefits; *and*

13 (3) whether the school corporation met the requirement set forth  
 14 in subsection (a). ~~and~~

15 ~~(4) whether the school corporation received a waiver under~~  
 16 ~~subsection (d).~~

17 ~~(d)~~ **(e)** The department shall publish the report described in  
 18 subsection ~~(c)~~ **(d)** on the department's website.

19 ~~(e)~~ **(f)** Beginning after June 30, 2024, for each state fiscal year that  
 20 a school corporation fails to expend the amount for teacher  
 21 compensation as required under subsection (a), the department shall  
 22 submit in both a written and an electronic format a notice to the school  
 23 corporation's:

24 (1) superintendent;

25 (2) school business officer; and

26 (3) governing body;

27 that the school corporation failed to meet the requirements set forth in  
 28 subsection (a) for the applicable state fiscal year.

29 ~~(f)~~ **(g)** If a school corporation's governing body receives a notice  
 30 from the department under subsection ~~(e)~~; **(f)**, the school corporation  
 31 shall do the following:

32 (1) Publicly acknowledge receipt of the notice from the  
 33 department at the governing body's next public meeting.

34 (2) Enter into the governing body's official minutes for the  
 35 meeting described in subdivision (1) acknowledgment of the  
 36 notice.

37 (3) Not later than thirty (30) days after the meeting described in  
 38 subdivision (1), publish on the school corporation's website:

39 (A) the department's notice; and

40 (B) any relevant individual reports prepared by the  
 41 department.

42 ~~(g)~~ **(h)** If the department determines a school corporation that



1     *received one (1) or more notices from the department under subsection*  
2     ~~*(e)*~~ **(f)** *has met the expenditure requirements required under subsection*  
3     *(a) for a subsequent state fiscal year, the school corporation may*  
4     *remove from the school corporation's website any:*  
5         *(1) notices the school corporation received under subsection ~~(e)~~*  
6         **(f); and**  
7         *(2) relevant individual reports prepared by the department under*  
8         *subsection ~~(f)(3)~~ **(g)(3)**.*

