

HOUSE BILL No. 1258

DIGEST OF INTRODUCED BILL

Citations Affected: IC 20-28-9-28.

Synopsis: Teacher compensation. Provides that, after June 30, 2026, a school corporation shall expend an amount for teacher compensation that is not less than an amount equal to 70% (instead of 62%) of the state tuition support distributed to the school corporation during the state fiscal year. Makes conforming changes.

Effective: July 1, 2025.

Klinker

January 9, 2025, read first time and referred to Committee on Education.



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

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2024 Regular Session of the General Assembly.

HOUSE BILL No. 1258



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 20-28-9-28, AS AMENDED BY P.L.150-2024,
2 SECTION 26, AND AS AMENDED BY P.L.136-2024, SECTION 43,
3 AND AS AMENDED BY THE TECHNICAL CORRECTIONS BILL
4 OF THE 2025 GENERAL ASSEMBLY, IS CORRECTED AND
5 AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]:
6 Sec. 28. (a) *Subject to subsection ~~(g)~~, (d)*, for each school year in a
7 state fiscal year beginning after June 30, 2023, a school corporation
8 shall expend an amount for teacher compensation that is not less than
9 an amount equal to sixty-two percent (62%) of the state tuition support,
10 *other than the state tuition support described in subsection ~~(b)~~, (c)*,
11 distributed to the school corporation during the state fiscal year. For
12 purposes of determining whether a school corporation has complied
13 with this requirement, the amount a school corporation expends for
14 teacher compensation shall include the amount the school corporation
15 expends for adjunct teachers, supplemental pay for teachers, stipends,
16 and for participating in a special education cooperative or an interlocal
17 agreement or consortium that is directly attributable to the



1 compensation of teachers employed by the cooperative or interlocal
 2 agreement or consortium. *The amount a school corporation expends on*
 3 *teacher compensation shall also include the amount the school*
 4 *corporation expends on dropout recovery educational services for an*
 5 *at-risk student enrolled in the school corporation provided by an*
 6 *agreement with an eligible school that is directly attributable to the*
 7 *compensation of teachers employed by the eligible school. Teacher*
 8 *benefits include all benefit categories collected by the department for*
 9 *Form 9 purposes. **This subsection expires July 1, 2026.***

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

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

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

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

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

32 **(b) Subject to subsection (d), for each school year in a state**
 33 **fiscal year beginning after June 30, 2026, a school corporation shall**
 34 **expend an amount for teacher compensation that is not less than an**
 35 **amount equal to seventy percent (70%) of the state tuition support,**
 36 **other than the state tuition support described in subsection (c),**
 37 **distributed to the school corporation during the state fiscal year.**
 38 **For purposes of determining whether a school corporation has**
 39 **complied with this requirement, the amount a school corporation**
 40 **expends for teacher compensation shall include the amount the**
 41 **school corporation expends for adjunct teachers, supplemental pay**
 42 **for teachers, stipends, and for participating in a special education**



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

12 ~~(b)~~ (c) State tuition support distributed to a school corporation for
 13 students enrolled in the school corporation who are receiving one
 14 hundred percent (100%) virtual instruction from a teacher employed
 15 by a third party provider with whom the school corporation has
 16 contracted is not included as state tuition support distributed to the
 17 school corporation for purposes of subsection (a) **(before its**
 18 **expiration) or (b).**

19 ~~(g)~~ (d) For purposes of determining whether a school corporation
 20 has complied with the requirement in subsection (a) **(before its**
 21 **expiration) or (b)**, distributions from the curricular materials fund
 22 established by IC 20-40-22-5 that are deposited in a school
 23 corporation's education fund in a state fiscal year are not considered
 24 to be state tuition support distributed to the school corporation during
 25 the state fiscal year.

26 ~~(e)~~ (h) ~~(e) Before November 1, 2022, and~~ Before November 1 of
 27 each year, ~~thereafter~~, the department shall submit a report to the
 28 legislative council in an electronic format under IC 5-14-6 and the state
 29 budget committee that contains information as to:

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

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

35 (3) whether the school corporation met the requirement set forth
 36 in subsection (a) **(before its expiration) or (b).** ~~and~~

37 ~~(4) whether the school corporation received a waiver under~~
 38 ~~subsection (d).~~

39 ~~(d)~~ (f) The department shall publish the report described in
 40 subsection ~~(e)~~ (e) on the department's website.

41 ~~(e)~~ (g) Beginning after June 30, 2024, for each state fiscal year that
 42 a school corporation fails to expend the amount for teacher



1 compensation as required under subsection (a) **(before its expiration)**
 2 **or (b)**, the department shall submit in both a written and an electronic
 3 format a notice to the school corporation's:

- 4 (1) superintendent;
 5 (2) school business officer; and
 6 (3) governing body;

7 that the school corporation failed to meet the requirements set forth in
 8 subsection (a) **(before its expiration) or (b)** for the applicable state
 9 fiscal year.

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

- 13 (1) Publicly acknowledge receipt of the notice from the
 14 department at the governing body's next public meeting.
 15 (2) Enter into the governing body's official minutes for the
 16 meeting described in subdivision (1) acknowledgment of the
 17 notice.
 18 (3) Not later than thirty (30) days after the meeting described in
 19 subdivision (1), publish on the school corporation's website:
 20 (A) the department's notice; and
 21 (B) any relevant individual reports prepared by the
 22 department.

23 ~~(g)~~ **(i)** If the department determines a school corporation that
 24 received one (1) or more notices from the department under subsection
 25 ~~(e)~~ **(g)** has met the expenditure requirements required under subsection
 26 (a) **(before its expiration) or (b)** for a subsequent state fiscal year, the
 27 school corporation may remove from the school corporation's website
 28 any:

- 29 (1) notices the school corporation received under subsection ~~(e)~~;
 30 **(g)**; and
 31 (2) relevant individual reports prepared by the department under
 32 subsection ~~(f)~~(3). **(h)(3)**.

