



January 31, 2025

SENATE BILL No. 146

DIGEST OF SB 146 (Updated January 30, 2025 10:29 am - DI 120)

Citations Affected: IC 20-19; IC 20-20; IC 20-28.

Synopsis: Teacher compensation. Requires the department of education to submit a report to the general assembly before November 1, 2025, that provides an analysis of the feasibility and cost of increasing school corporation employee health plan options. Creates the Indiana teacher recruitment program and fund. Beginning June 30, 2025: (1) increases the minimum salary for a teacher employed by a school corporation to \$45,000 (current law requires \$40,000); and (2) requires a school corporation to expend an amount for teacher compensation that is not less than 65% of state tuition support (current law requires 62%). Makes an appropriation.

Effective: July 1, 2025.

Rogers, Raatz

January 13, 2025, read first time and referred to Committee on Education and Career Development.

January 23, 2025, amended, reported favorably — Do Pass; reassigned to Committee on Appropriations.

January 30, 2025, amended, reported favorably — Do Pass.

SB 146—LS 7471/DI 143



January 31, 2025

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.

SENATE BILL No. 146

A BILL FOR AN ACT to amend the Indiana Code concerning education and to make an appropriation.

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

- 1 SECTION 1. IC 20-19-3-38 IS ADDED TO THE INDIANA CODE
2 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2025]: **Sec. 38. (a) As used in this section:**
4 (1) "school health plan" refers to a school employee health
5 plan offered under IC 20-26-17; and
6 (2) "state health plan" refers to a state employee health plan
7 offered under IC 5-10-8-6.7.
8 (b) Before November 1, 2025, the department shall prepare and
9 submit a report to the general assembly in an electronic format
10 under IC 5-14-6 that provides an analysis of the feasibility and cost
11 of increasing school corporation employee health plan options.
12 (c) The report described in subsection (b) must include the
13 following:
14 (1) An analysis of the feasibility and cost of allowing a school
15 corporation employee to elect to participate in a state health
16 plan if the state health plan is less expensive than the school
17 health plan offered by the employee's school corporation.

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1 **(2) An analysis of the feasibility and cost of allowing a school**
 2 **corporation employee who elects, as described in subdivision**
 3 **(1), to participate in a less expensive state health plan to apply**
 4 **the difference between the amount of the school health plan**
 5 **offered by the employee's school corporation and the amount**
 6 **of the state health plan to:**

7 **(A) the employee's defined contribution account, if the**
 8 **employee maintains a defined contribution account; or**

9 **(B) the employee's annual salary.**

10 **(d) This section expires July 1, 2026.**

11 SECTION 2. IC 20-20-50 IS ADDED TO THE INDIANA CODE
 12 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 13 JULY 1, 2025]:

14 **Chapter 50. Indiana Teacher Recruitment Program**

15 **Sec. 1. As used in this chapter, "fund" refers to the Indiana**
 16 **teacher recruitment program fund established by section 4 of this**
 17 **chapter.**

18 **Sec. 2. As used in this chapter, "program" refers to the Indiana**
 19 **teacher recruitment program established by section 3 of this**
 20 **chapter.**

21 **Sec. 3. (a) The Indiana teacher recruitment program is**
 22 **established. The purpose of the program is to provide grants to**
 23 **training and recruitment programs for teachers in critical shortage**
 24 **areas, as determined by the department, based on data contained**
 25 **in the educator supply and demand marketplace maintained on the**
 26 **department's website.**

27 **(b) The department shall administer the program.**

28 **Sec. 4. (a) The Indiana teacher recruitment program fund is**
 29 **established for the purposes of implementing the program**
 30 **described in section 3 of this chapter.**

31 **(b) The fund consists of the following:**

32 **(1) Appropriations from the general assembly.**

33 **(2) Gifts to the fund.**

34 **(3) Grants, including grants from private entities.**

35 **(4) Any federal grants received to supplement the fund.**

36 **(c) The department shall administer the fund.**

37 **(d) Money in the fund is continuously appropriated for the**
 38 **purposes of the fund.**

39 **Sec. 5. The department shall do the following:**

40 **(1) Create an application and approval process for training**
 41 **and recruitment programs.**

42 **(2) Determine guidelines for awarding grants under the**



1 **program.**

2 **Sec. 6. This chapter expires June 30, 2027.**

3 SECTION 3. IC 20-28-3-1, AS AMENDED BY P.L.150-2024,
4 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JULY 1, 2025]: Sec. 1. (a) As used in this section, "teacher candidate"
6 means an individual recommended for an initial teaching license from
7 a teacher preparation program located in Indiana.

8 (b) As used in this section, "teacher preparation program" includes,
9 but is not limited to, the following:

- 10 (1) A teacher education school or department.
11 (2) A transition to teaching program under IC 20-28-4.
12 (3) Any other entity approved by the department to offer a course
13 of study leading to an initial teaching license.

14 (c) The department shall:

- 15 (1) arrange a statewide system of professional instruction for
16 teacher education;
17 (2) accredit and review teacher preparation programs that comply
18 with the rules of the department;
19 (3) approve content area licensure programs for particular kinds
20 of teachers in accredited teacher preparation programs; and
21 (4) specify the types of licenses for individuals who complete
22 programs of approved courses.

23 (d) The department shall work with teacher preparation programs to
24 develop a system of teacher education that ensures individuals who
25 complete teacher preparation programs are able to meet the highest
26 professional standards.

27 (e) Before July 1, 2015, the department shall establish standards for
28 the continuous improvement of program processes and the performance
29 of individuals who complete teacher preparation programs. The state
30 board shall adopt rules containing the standards not later than two
31 hundred seventy (270) days after the department finishes the standards.

32 (f) The standards established under subsection (e) must include
33 benchmarks for performance, including test score data for each teacher
34 preparation entity on content area licensure tests and test score data for
35 each teacher preparation entity on pedagogy licensure tests.

36 (g) Each teacher preparation program shall annually report the
37 program's performance on the standards and benchmarks established
38 under this section to the department. The department shall make the
39 information reported under this subsection available to the public on
40 the department's website. Each teacher preparation program shall make
41 the information reported under this subsection available to the public
42 on the teacher preparation program's website. In addition to reporting



1 performance, each teacher preparation program must report to the
2 department the following:

3 (1) The attrition, retention, and completion rates of teacher
4 candidates for the previous three (3) calendar years. The teacher
5 preparation program must also provide underlying data, as
6 determined by the department, used as part of calculating the
7 teacher preparation program's retention rates.

8 (2) The number of teacher candidates in each content area who
9 complete the teacher preparation program during the year,
10 disaggregated by ranges of cumulative grade point averages.

11 (3) The number of teacher candidates in each content area who,
12 during the year:

13 (A) do not pass a content area licensure examination; and

14 (B) do not retake the content area licensure examination.

15 (h) In making information available to the public on the
16 department's website, the department shall include in the report under
17 subsection (g), in addition to the matrix ratings described in subsection
18 (i), the following information:

19 (1) Average scaled or standard scores of teacher candidates who
20 complete teacher preparation programs on basic skills, content
21 area, and pedagogy licensure examinations.

22 (2) The average number of times teacher candidates who
23 complete a teacher preparation program take each licensing test
24 before receiving a passing score and the percentage of teacher
25 candidates who receive a passing score on each licensing test on
26 the teacher candidates' first attempts.

27 (i) Not later than July 30, 2016, the department and the commission
28 for higher education, in conjunction with the state board, the
29 Independent Colleges of Indiana, Inc., and teacher preparation
30 programs, shall establish a matrix rating system for teacher preparation
31 programs based on the performance of the programs as demonstrated
32 by the data collected under subsections (g) and (h). ~~The matrix rating
33 system may not rank or compare teacher preparation programs.~~ The
34 matrix rating system must be based on data collected for teachers who
35 initially receive their teaching license during the previous three (3)
36 years. The department shall make the matrix ratings available to the
37 public on the department's website.

38 (j) Each teacher preparation program shall report to the department,
39 in a manner prescribed by the department, the teacher preparation
40 program's admission practices, in accordance with:

41 (1) the Council for the Accreditation of Educator Preparation
42 standards, for teacher preparation programs accredited by the



- 1 Council for the Accreditation of Educator Preparation;
 2 (2) rigorous academic entry requirements for admission into a
 3 teacher preparatory program that are equivalent to the minimum
 4 academic requirements determined by the Council for the
 5 Accreditation of Educator Preparation, for teacher preparation
 6 programs that are not accredited by the Council for the
 7 Accreditation of Educator Preparation; or
 8 (3) the Association for Advancing Quality in Educator
 9 Preparation standards, for teacher preparation programs
 10 accredited by the Association for Advancing Quality in Educator
 11 Preparation.

12 The department shall include information reported to the department
 13 on the department's website.

14 (k) Not later than July 30, 2016, the department and the commission
 15 for higher education, in conjunction with the state board, the
 16 Independent Colleges of Indiana, Inc., and teacher preparation
 17 programs, shall establish a minimum rating under the matrix rating
 18 system established under subsection (i) that teacher preparation
 19 programs must achieve to avoid referral under subsection (l).

20 (l) Not later than July 1 of each year, the department shall submit a
 21 list of teacher preparation programs that do not meet the minimum
 22 rating established under subsection (k) or the requirements of section
 23 3.1 of this chapter to the commission for higher education and the
 24 Independent Colleges of Indiana, Inc. for one (1) of the following
 25 actions:

26 (1) In the case of a state educational institution, the commission
 27 for higher education shall place the teacher preparation program
 28 on an improvement plan with clear performance goals and a
 29 designated period in which the performance goals must be
 30 achieved.

31 (2) In the case of a proprietary postsecondary educational
 32 institution, the commission for higher education shall recommend
 33 to the teacher preparation program an improvement plan with
 34 clear performance goals and a designated period in which the
 35 performance goals should be achieved.

36 (3) In the case of a nonprofit college or university, the
 37 Independent Colleges of Indiana, Inc., shall coordinate a peer
 38 review process to make recommendations to the peer institution
 39 in achieving the department's performance metrics.

40 (m) The department shall approve at least two (2) accreditors that:
 41 (1) accredit teacher preparation programs; and
 42 (2) are recognized by the Council for Higher Education



1 Accreditation;
2 to accredit teacher preparation programs for use in Indiana.

3 (n) Not later than December 31, 2024, the department and the
4 commission for higher education, in conjunction with the state board,
5 shall partner with teacher preparation programs to receive an outside
6 evaluation by a nationally recognized nonprofit, nonpartisan
7 organization that leverages evidence based approaches on the science
8 of reading to evaluate teacher preparation reading instruction programs.

9 SECTION 4. IC 20-28-9-26, AS ADDED BY P.L.165-2021,
10 SECTION 154, IS AMENDED TO READ AS FOLLOWS
11 [EFFECTIVE JULY 1, 2025]: Sec. 26. (a) For each school year
12 beginning after ~~June 30, 2022~~, **June 30, 2025**, if a school corporation
13 determines that the school corporation cannot establish a minimum
14 salary of ~~forty forty-five~~ thousand dollars (~~\$40,000~~) (**\$45,000**) for each
15 full-time teacher, the school corporation shall submit a report to the
16 department explaining the school corporation's inability to meet the
17 minimum threshold requirement.

18 (b) A report submitted under this section must include an
19 explanation of the financial challenges, with detailed data, that
20 preclude the school corporation from meeting the minimum salary
21 threshold required under subsection (a). The report must also describe
22 the cost saving measures taken by the school corporation in attempting
23 to meet the minimum salary threshold required under subsection (a).

24 SECTION 5. IC 20-28-9-28, AS AMENDED BY P.L.150-2024,
25 SECTION 26, AND AS AMENDED BY P.L.136-2024, SECTION 43,
26 AND AS AMENDED BY THE TECHNICAL CORRECTIONS BILL
27 OF THE 2025 GENERAL ASSEMBLY, IS CORRECTED AND
28 AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]:
29 Sec. 28. (a) *Subject to subsection (g), (c)*, for each school year in a state
30 fiscal year beginning after ~~June 30, 2023~~, **June 30, 2025**, a school
31 corporation shall expend an amount for teacher compensation that is
32 not less than an amount equal to ~~sixty-two percent (62%)~~ **sixty-five**
33 **percent (65%)** of the state tuition support, *other than the state tuition*
34 *support described in subsection (b)*, distributed to the school
35 corporation during the state fiscal year. For purposes of determining
36 whether a school corporation has complied with this requirement, the
37 amount a school corporation expends for teacher compensation shall
38 include the amount the school corporation expends for adjunct
39 teachers, supplemental pay for teachers, stipends, and for participating
40 in a special education cooperative or an interlocal agreement or
41 consortium that is directly attributable to the compensation of teachers
42 employed by the cooperative or interlocal agreement or consortium.



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

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

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

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

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

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

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

36 ~~(g)~~ **(c)** *For purposes of determining whether a school corporation*
 37 *has complied with the requirement in subsection (a), distributions from*
 38 *the curricular materials fund established by IC 20-40-22-5 that are*
 39 *deposited in a school corporation's education fund in a state fiscal*
 40 *year are not considered to be state tuition support distributed to the*
 41 *school corporation during the state fiscal year.*

42 ~~(c)~~ ~~(d)~~ **(d)** *Before November 1, 2022, and before November 1 of*



1 each year thereafter, the department shall submit a report to the
 2 legislative council in an electronic format under IC 5-14-6 and the state
 3 budget committee that contains information as to:

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

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

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

11 ~~(4) whether the school corporation received a waiver under~~
 12 ~~subsection (d).~~

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

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

20 (1) *superintendent;*

21 (2) *school business officer; and*

22 (3) *governing body;*

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

25 ~~(f)~~ (g) *If a school corporation's governing body receives a notice*
 26 *from the department under subsection (e), (f), the school corporation*
 27 *shall do the following:*

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

30 (2) *Enter into the governing body's official minutes for the*
 31 *meeting described in subdivision (1) acknowledgment of the*
 32 *notice.*

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

35 (A) *the department's notice; and*

36 (B) *any relevant individual reports prepared by the*
 37 *department.*

38 ~~(g)~~ (h) *If the department determines a school corporation that*
 39 *received one (1) or more notices from the department under subsection*
 40 *(e) (f) has met the expenditure requirements required under subsection*
 41 *(a) for a subsequent state fiscal year, the school corporation may*
 42 *remove from the school corporation's website any:*



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



COMMITTEE REPORT

Mr. President: The Senate Committee on Education and Career Development, to which was referred Senate Bill No. 146, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, delete lines 1 through 17.

Delete pages 2 through 7.

Page 8, delete lines 1 through 30, begin a new paragraph and insert: "SECTION 1. IC 20-19-3-38 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 38. (a) As used in this section:**

(1) "school health plan" refers to a school employee health plan offered under IC 20-26-17; and

(2) "state health plan" refers to a state employee health plan offered under IC 5-10-8-6.7.

(b) Before November 1, 2025, the department shall prepare and submit a report to the general assembly in an electronic format under IC 5-14-6 that provides an analysis of the feasibility and cost of increasing school corporation employee health plan options.

(c) The report described in subsection (b) must include the following:

(1) An analysis of the feasibility and cost of allowing a school corporation employee to elect to participate in a state health plan if the state health plan is less expensive than the school health plan offered by the employee's school corporation.

(2) An analysis of the feasibility and cost of allowing a school corporation employee who elects, as described in subdivision (1), to participate in a less expensive state health plan to apply the difference between the amount of the school health plan offered by the employee's school corporation and the amount of the state health plan to:

(A) the employee's defined contribution account, if the employee maintains a defined contribution account; or

(B) the employee's annual salary.

(d) This section expires July 1, 2026."

Page 9, delete lines 20 through 42.

Page 10, delete lines 1 through 38.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass and be reassigned to the Senate Committee on Appropriations.

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(Reference is to SB 146 as introduced.)

RAATZ, Chairperson

Committee Vote: Yeas 11, Nays 0.

COMMITTEE REPORT

Mr. President: The Senate Committee on Appropriations, to which was referred Senate Bill No. 146, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning education and to make an appropriation.

Page 2, between lines 36 and 37, begin a new paragraph and insert:

"(d) Money in the fund is continuously appropriated for the purposes of the fund."

Page 2, between lines 41 and 42, begin a new paragraph and insert:

"Sec. 6. This chapter expires June 30, 2027."

Page 2, delete line 42.

Delete page 3.

Page 4, delete lines 1 through 8.

Page 7, delete lines 30 through 42.

Delete page 8.

Page 9, delete lines 1 through 3.

Page 11, delete lines 27 through 42.

Delete pages 12 through 31.

Re-number all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 146 as printed January 24, 2025.)

MISHLER, Chairperson

Committee Vote: Yeas 13, Nays 0.

