

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS  
FISCAL IMPACT STATEMENT**

**LS 6877**  
**BILL NUMBER: HB 1258**

**NOTE PREPARED:** Dec 23, 2024  
**BILL AMENDED:**

**SUBJECT:** Teacher Compensation.

**FIRST AUTHOR:** Rep. Klinker  
**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**      **GENERAL**  
                                 **DEDICATED**  
                                 **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** This bill 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. It makes conforming changes.

**Effective Date:** July 1, 2025.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** Beginning in FY 2027, this bill requires school corporations to expend at least 70% of their state tuition support received on compensation for teachers. This is an expansion of current statute which requires 62% of state tuition support received by a school corporation be spent on teacher salaries. These provisions may change the number of schools who are unable to meet the teacher compensation thresholds outlined in this bill. Schools that do not meet the requirement must publish onto their website and discuss at their next public meeting that the school was unable to meet the teacher compensation threshold.

**Additional Information** - Based on FY 2024 data, the median percentage of tuition support spent by school corporations on teacher compensation was 63.3%, and 44 out 290 school corporations currently meet the bill's requirements by expending at least 70% of the tuition support received by the school on teacher compensation. Of the remaining 246 school corporations, 126 schools expend at least 62% of their tuition support received by the school on teacher compensation.

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:** School corporations.

**Information Sources:** LSA Education Database.

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