



February 22, 2019

SENATE BILL No. 281

DIGEST OF SB 281 (Updated February 20, 2019 3:40 pm - DI 133)

Citations Affected: IC 20-28.

Synopsis: School administrator contracts. Provides that, unless a provision in a contract entered into or renewed between the governing body of a school corporation and a principal or an assistant principal before July 1, 2019, provides otherwise, the governing body of a school corporation may not pay to a principal or an assistant principal to buy out a contract an amount that exceeds an amount equal to the principal's or assistant principal's salary for any one year under the contract. Provides that, unless a provision in a contract entered into or renewed between the governing body of a school corporation and an assistant superintendent before July 1, 2019, provides otherwise, a governing body may not pay to an assistant superintendent to buy out a contract an amount that exceeds an amount equal to the lesser of: (1) the assistant superintendent's salary for any one year under the contract; or (2) \$250,000. Requires that an initial employment contract entered into between the governing body of a school corporation and an assistant superintendent, a principal, or an assistant principal be at least one year and not more than three years. (Current law requires the initial contract between the governing body of a school corporation and a principal or assistant principal be the equivalent of at least two years.) Provides that a contract with an assistant superintendent, a principal, or an assistant principal may be extended for an additional three years.

Effective: July 1, 2019.

Houchin, Kruse, Raatz

January 7, 2019, read first time and referred to Committee on Education and Career Development.
February 21, 2019, reported favorably — Do Pass.

SB 281—LS 6530/DI 110



February 22, 2019

First Regular Session of the 121st General Assembly (2019)

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 2018 Regular and Special Session of the General Assembly.

SENATE BILL No. 281

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 20-28-8-2, AS ADDED BY P.L.1-2005, SECTION
2 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,
3 2019]: Sec. 2. A contract of employment shall be entered into between
4 the governing body of the school corporation and a principal or
5 assistant principal subject to the following conditions:
6 (1) The basic contract must be the regular teacher's contract as
7 prescribed by the state superintendent.
8 (2) ~~The term of the initial contract must be the equivalent of at~~
9 ~~least two (2) school years. This subdivision applies to contracts~~
10 ~~entered into or renewed after July 1, 2019. The initial contract~~
11 ~~must be for a term of at least one (1) year and not more than~~
12 ~~three (3) years. However, a contract may be extended for not~~
13 ~~more than an additional three (3) years beyond the term of~~
14 ~~the original contract.~~
15 (3) The contract may be altered, modified, or rescinded in favor
16 of a new contract at any time by mutual consent of the governing
17 body of the school corporation and the principal or assistant

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1 principal, if the contract, when reduced to writing, is consistent
2 with this chapter.

3 SECTION 2. IC 20-28-8-2.5 IS ADDED TO THE INDIANA CODE
4 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
5 1, 2019]: **Sec. 2.5. Unless a provision in a contract between the**
6 **governing body of a school corporation and a principal or an**
7 **assistant principal entered into or renewed before July 1, 2019,**
8 **provides otherwise, the governing body of a school corporation**
9 **may not pay to a principal or an assistant principal, to buy out a**
10 **contract entered into between the governing body and the principal**
11 **or assistant principal, an amount that exceeds an amount equal to**
12 **the principal's or assistant principal's salary for any one (1) year**
13 **under the contract. The principal's or assistant principal's salary**
14 **under this section does not include benefits or any other forms of**
15 **compensation that the principal or assistant principal receives as**
16 **payment under the contract other than the principal's or assistant**
17 **principal's salary.**

18 SECTION 3. IC 20-28-8-2.7 IS ADDED TO THE INDIANA CODE
19 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
20 1, 2019]: **Sec. 2.7. For a contract entered into or renewed after June**
21 **30, 2019, an initial contract entered into between the governing**
22 **body of a school corporation and an assistant superintendent must**
23 **be for a term of at least one (1) year and not more than three (3)**
24 **years. However, a contract may be extended for not more than an**
25 **additional three (3) years beyond the term of the original contract.**

26 SECTION 4. IC 20-28-8-3.5 IS ADDED TO THE INDIANA CODE
27 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
28 1, 2019]: **Sec. 3.5. Unless a provision in a contract between the**
29 **governing body of a school corporation and an assistant**
30 **superintendent entered into or renewed before July 1, 2019,**
31 **provides otherwise, the governing body of a school corporation**
32 **may not pay to an assistant superintendent to buy out a contract**
33 **entered into between the governing body and the assistant**
34 **superintendent an amount that exceeds an amount equal to the**
35 **lesser of:**

36 (1) the assistant superintendent's salary for any one (1) year
37 under the contract; or
38 (2) two hundred fifty thousand dollars (\$250,000).

39 An assistant superintendent's salary under subdivision (1) does not
40 include benefits or any other forms of compensation that the
41 assistant superintendent receives as payment under the contract
42 other than the assistant superintendent's salary.



COMMITTEE REPORT

Madam President: The Senate Committee on Education and Career Development, to which was referred Senate Bill No. 281, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is to SB 281 as introduced.)

RAATZ, Chairperson

Committee Vote: Yeas 8, Nays 0

