

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

LS 6983

BILL NUMBER: HB 1004

NOTE PREPARED: Jan 22, 2026

BILL AMENDED: Jan 22, 2026

SUBJECT: Various Education Matters.

FIRST AUTHOR: Rep. Behning

BILL STATUS: CR Adopted - 1st House

FIRST SPONSOR:

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill makes changes to various education provisions concerning the following:

- (1) Certain school corporation accounting requirements.
- (2) The "nonpublic school" definition.
- (3) Recodification and State Board of Education transition provisions.
- (4) The state board's duties.
- (5) Powers of the governing bodies of school corporations.
- (6) Public-private agreements by charter schools for the construction or renovation of schools.
- (7) Adoption of certain rules by the state board.
- (8) Department of Education's duties regarding initiatives for teacher recruitment and retention of certain educators.
- (9) Conditions to be considered a probationary teacher.
- (10) Regular teacher's contract requirements for principals and assistant principals.
- (11) Graduation plan requirements.
- (12) Instruction on alcoholic beverages, tobacco, prescription drugs, and controlled substances.
- (13) Recognition program criteria application.
- (14) Reporting on certain student expenditure information.
- (15) Excused absences.
- (16) Automated external defibrillator (AED) requirements.
- (17) Grant awards from the Indiana Secured School Fund.
- (18) Joint meetings of governing bodies of school corporations.

This bill relocates a provision regarding certain possession and storage of a firearm educational materials from the department to the Department of Homeland Security. The bill allows use of temporary teacher contracts for teachers who have been issued an emergency permit.

The bill removes or repeals various education and higher education provisions concerning the following:

- (1) Expired and expiring provisions.
- (2) Duties, discretionary actions, and restrictions regarding the department.

- (3) Posting of certain information by schools.
- (4) Discretionary display of certain words by qualified districts.
- (5) Academic receivership.
- (6) Staff performance evaluations regarding Indianapolis Public Schools.
- (7) Certain powers of governing bodies of school corporations.
- (8) Certain student teaching agreement requirements with postsecondary educational institutions.
- (9) Certain discretionary authority of school corporations regarding joining regional school study councils, distributing payroll based on contractual and compensation plans, and establishing and using funds for nursery schools.
- (10) Spending restrictions for remediation programs.
- (11) Certain website posting requirements for school corporations and charter schools.
- (12) Reporting regarding students who meet certain requirements during their expected graduation year.
- (13) Discretion regarding certain feasibility studies.
- (14) Certain rights and privileges of teachers employed in a joint program or special education cooperatives or with regard to certain interlocal cooperation agreements.
- (15) Joint investment funds.
- (16) Application of certain laws to joint programs.
- (17) Establishment of certain students as transfer students.
- (18) The borrowing of money by school corporations to buy curricular materials.
- (19) Discretion regarding employee health coverage for certain individuals.
- (20) Notification to the Secretary of Education by a superintendent regarding a conviction or certain final actions.
- (21) References to an online platform for training.
- (22) Reports regarding adjunct teachers.
- (23) Teacher contract requirements regarding the number of work hours per day.
- (24) Voiding of contracts with teachers if certain conditions apply.
- (25) Regular teacher's contract requirement for principals, assistant principals, and directors of special education.
- (26) The provision of certain individual test scores regarding examinations required for teacher licensure.
- (27) The definition of "secondary school" regarding the federal Teacher Loan Forgiveness Program.
- (28) The definition of "deficit financing" with regard to the Gary Community School Corporation and the Muncie Community School Corporation.
- (29) Allowing instruction on bullying prevention and child abuse by certain individuals.
- (30) Timing of statewide assessment requirements for state accredited nonpublic schools and eligible schools.
- (31) Requirement that the department make available certain diagnostic tools.
- (32) Discretionary portfolio programs by governing bodies of school corporations.
- (33) Allowing expulsion if a student's legal settlement is not in an attendance area.
- (34) Report requirement by the Education Commission of the States.
- (35) Duty of a school corporation to preserve instructional programs.
- (36) The primary care physician loan forgiveness program.
- (37) Required payments by postsecondary credit bearing proprietary educational institutions regarding cost of performing team onsite investigations.
- (38) Indiana Excellence in Teaching Endowment.
- (39) Listing of funds established outside certain education provisions.

This bill repeals and relocates education provisions regarding programs administered by the state with the following changes:

- (1) Removes or repeals the following:
 - (A) Dissemination of certain information regarding the teacher referral system.
 - (B) Expired provisions.
 - (C) Certain uses of the Senator David C. Ford Educational Technology Fund.
 - (D) The Technology Plan Grant Program and requirements.
 - (E) School social worker qualification requirements.
 - (F) An annual report regarding system of teacher and student advancement grants.
 - (G) The Indiana Education Residency Pilot Program.
 - (H) A biannual progress report regarding the next Level Computer Science Program and fund.
 - (I) A noncompliance and transfer of responsibility provision regarding the next Level Computer Science Program and fund.
- (2) Amends certain requirements regarding the process for evaluating curricular materials.

The bill makes conforming changes.

Effective Date: July 1, 2026.

Explanation of State Expenditures: *Transfer Tuition:* Provisions in the bill remove a requirement for the state to pay a school corporation transfer tuition for certain students.

Workload Changes: The bill will have minor workload impacts across a variety of agencies that would not impact the staffing or resource needs of those agencies.

(Revised) *Indiana Secured School Fund:* The bill allows the Indiana Secured School Fund to be used to award grants for audiovisual devices to monitor areas of school property used for student seclusion or time-out. This may shift what schools and projects receive grants from the fund, but would not impact total expenditures.

Explanation of State Revenues:

Explanation of Local Expenditures: *Social Workers:* The bill eliminates the requirement that school social workers have a master's degree. This could increase the pool of candidates and make it easier for schools to fill vacancies.

Health Insurance: School board members and attorneys are no longer eligible to participate in the school's health plan under the bill. This will have an indeterminable impact on school corporation expenditures.

Remediation Program: Current law limits school corporation remediation program spending to no more than 1% of state tuition support revenue received by the school corporation. The bill eliminates that limit.

Workload Changes: The bill has a variety of workload changes that should result in a net workload decrease and some additional flexibility for public schools.

Explanation of Local Revenues: *Transfer Tuition:* Provisions in the bill may reduce the transfer tuition a public school receives from the state. [See Explanation of State Expenditures.]

(Revised) *Indiana Secured School Fund*: The bill's provision adding a new use of the Indiana Secured School Fund would not impact the total revenue schools receive from the fund.

State Agencies Affected: Commission for Higher Education; Department of Education; State Board of Education; State educational institutions.

Local Agencies Affected: Public schools.

Information Sources: Department of Education; Commission for Higher Education
https://iga.in.gov/publications/agency_report/2025-Annual-Report---Student-and-Parent-Support-Service-Grant-Program-Report.pdf

Fiscal Analyst: Austin Spears, 317-234-9454; Kelan Fong, 317-232-9592.