

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

**LS 6843**  
**BILL NUMBER: SB 204**

**NOTE PREPARED:** Jan 27, 2026  
**BILL AMENDED:** Jan 22, 2026

**SUBJECT:** Various Education Matters.

**FIRST AUTHOR:** Sen. Deery  
**FIRST SPONSOR:** Rep. Smith H

**BILL STATUS:** As Passed Senate

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

**IMPACT:** State & Local

**Summary of Legislation:** This bill allows the Department of Education (DOE) to serve as an accreditor for teacher preparation programs.

The bill provides that an individual who has obtained a license to teach in a charter school may be eligible to obtain an initial practitioner license under certain conditions.

The bill also removes a requirement that an individual must hold a bachelor's degree in science, technology, engineering, or mathematics as a component of certain pathways to receive an initial practitioner license.

It provides that academic needs based salary increases may not:

- (1) apply to all eligible teachers in a bargaining unit uniformly; or
- (2) be based on certain other factors.

The bill repeals the:

- (1) state educational institution (SEI) annual report to the Legislative Council and Commission for Higher Education (CHE) concerning financial aid;
- (2) CHE report to the General Assembly concerning certain institution information;
- (3) CHE report to the Legislative Council and Budget Committee concerning student enrollment rates;
- (4) student athlete cardiac arrest chapter; and
- (5) Ivy Tech Community College report to the Budget Committee concerning campus information.

The bill also expires certain physical facilities reporting requirements on June 30, 2029.

The bill provides that an SEI that has been denied approval to continue a degree program may:

- (1) permit students to enroll in the degree program until June 1 of the year following the denial; and
- (2) provide students enrolled in the degree program with the opportunity to finish their degree prior to the degree program's closure.

The bill requires the CHE to submit an annual report concerning degree program closures to the General Assembly.

The bill changes the reporting of disclosable gifts to January 31 and July 31 of a given year (current law requires disclosure on January 1 and July 1 of a given year).

The bill changes certain amounts concerning construction, land purchases, and repair and rehabilitation by an SEI to \$3,000,000.

The bill removes certain employee information from the annual SEI report to the Budget Committee.

The bill also voids a provision in the Indiana Administrative Code.

The bill requires each SEI to submit a report annually to the Budget Committee and CHE listing certain capital projects for the immediately preceding full calendar year that did not receive review by CHE. It specifies the contents of the report.

**Effective Date:** Upon Passage; July 1, 2026; July 1, 2027.

**Explanation of State Expenditures:** *Reports:* The bill eliminates or expires several reports, including reports from state agencies to the Department of Administration regarding minority business enterprises and women's business enterprises as subcontractors. Additionally, there are several reports from the CHE and SEIs that are eliminated, expired, or modified and one additional report that is added. These changes will result in a minor decrease in workload for state agencies and SEIs, as well as the Budget Committee, the Legislative Council, and CHE in receiving and reviewing the reports.

*Department of Education (DOE):* The DOE will experience a minor workload increase to modify rules related to teacher licensing pathways, but should be able to implement these changes with existing resources. The DOE may also experience a workload increase to serve as an accreditor of teacher preparation programs, though the extent of the increase and any potential expenditure impact will depend on administrative decisions.

*Sudden Cardiac Arrest Material:* The bill eliminates requirements that CHE must disseminate certain educational material regarding sudden cardiac arrest to the athletic department of SEIs, who then must receive signatures from student athletes acknowledging receipt of the material. The elimination of the requirements will result in minor workload decreases for CHE and SEIs and a potential reduction in annual printing costs for SEIs. [SEIs receive state funding through General Fund appropriations.]

*SEI Projects:* The bill increases the threshold for certain SEI projects to be subject to review by the CHE and the State Budget Agency from \$2 M to \$3 M. However, the bill also requires each SEI to submit an annual report to the Budget Committee and CHE on capital projects with costs between \$2 M to \$3 M as specified in the bill. The expected net effect of these changes is a minor workload decrease for SEIs, CHE, and the State Budget Agency, while workload may minimally increase for the Budget Committee.

**Explanation of State Revenues:** *Licensing Fees:* The Professional Standards Fund will experience a revenue increase of \$36.72 for each additional initial practitioner license reviewed by DOE as a result of the bill's provisions.

*State Educational Institutions (SEIs):* Provisions in the bill allow certain teachers with a charter school license to qualify for an initial practitioner license. To the extent this decreases enrollment in transition to teaching programs, SEI tuition revenue may decrease.

*Additional Information -*

Under current law, individuals with a charter school license are only certified to teach at charter schools. These teachers can become certified to teach at traditional school corporations if they complete a transition to teaching program and earn their initial practitioner license.

**Explanation of Local Expenditures:** *Teacher Compensation:* Under the bill, school corporations would make certain changes to the calculation used to determine each teacher's salary increase or increment. This would likely shift salary increases from some teachers to others, and could have a small impact on total expenditures dependent upon any changes to current agreements and negotiations at the local level.

*Teacher Licenses:* If the number of licensed teachers increases as a result of the bill's provisions, school corporations may be able to fill vacant positions.

**Explanation of Local Revenues:**

**State Agencies Affected:** All.

**Local Agencies Affected:** Public schools.

**Information Sources:** Legislative Services Agency: *Indiana Handbook of Taxes, Revenues, and Appropriations*, FY 2025.

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