

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

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 7819**

**BILL NUMBER: HB 2137**

**DATE PREPARED: Jan 9, 2001**

**BILL AMENDED:**

**SUBJECT:** Teacher Compensation.

**FISCAL ANALYST:** Chuck Mayfield

**PHONE NUMBER:** 232-4825

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

**IMPACT:** Local

**Summary of Legislation:** This bill provides a method to allow school corporations to count the number of course credit hours and the graduate degrees attributable to individual teachers for purposes of providing teachers' salaries, compensation, and other benefits. It requires recognition of course credits and graduate degrees that are approved by the Professional Standards Board. The bill allows recognition of courses and graduate degrees that are not approved by the Professional Standards Board. This bill also provides equivalent salary, compensation, and benefits for teachers who hold master's degrees and teachers who have at least 36 hours of approved academic credit above an undergraduate degree. It allows a school corporation to provide equivalent salary, compensation, and benefits for teachers who hold master's degrees and teachers who have at least 30 hours of academic credit above an undergraduate degree.

**Effective Date:** July 1, 2001.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** The bill could affect local school budgets by increasing teacher compensation for teachers with 30 or more credit hours of academic credit above an undergraduate degree. The school is required to equate 36 credit hours of approved academic credit above an undergraduate degree to a master's degree for compensation, but the school may choose to equate 30 or more credit hours of academic credit above an undergraduate degree to a master's degree. By equating 36 credit hours in suitable license renewal courses to a master's degree, the school corporation may have higher salary, compensation, and other benefit costs.

It is unknown how many teachers have 36 credit hours of license renewal or the number of schools that would choose to equate 30 credit hours of academic credit above an undergraduate degree to a master's

degree. About 94 schools are paying some teachers with a master's degree or bachelor's degree with the same years of experience, the same salary. It is assumed that those schools have some method of equating approved academic credit earned to a master's degree. There are about 20,676 teachers with bachelors' degrees, and there are about 8,229 teachers in 94 schools in the situations described above. Approximately 324, or 4%, of the 8,229 teachers are receiving the same pay as a masters degree. An additional 12,447 teachers with a bachelor's degree might qualify under the bill. The 4% is the maximum exposure for schools that do not have a program described in the bill. The average difference between a master's and bachelor's degree is about \$5,000. If 498 additional teachers, at the 4% incidence rate, received an additional \$5,000, then the impact would be about \$2.49 M.

Schools would not receive any additional revenue due to the bill. Schools would have to fit the possible increase into their normal budgeting process. Any impact is dependent on local action.

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:** Local School Corporations

**Information Sources:** Department of Education databases.