

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

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**FISCAL IMPACT STATEMENT**

**LS 7015**

**BILL NUMBER:** HB 1353

**NOTE PREPARED:** Jan 5, 2024

**BILL AMENDED:**

**SUBJECT:** Education Matters.

**FIRST AUTHOR:** Rep. Morris

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

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

**IMPACT:** State & Local

**Summary of Legislation:** This bill requires the Department of Education to prepare a report to the General Assembly compiling certain data over a 40 year period. The bill provides that the parents of any high school student may request a transfer from a school corporation in which the student has a legal settlement to a transferee school corporation in Indiana if the student may be better accommodated by the athletics program offered by the public schools of the transferee corporation.

**Effective Date:** July 1, 2024.

**Explanation of State Expenditures:** *Department of Education (DOE):* Before December 31, 2024, provisions in the bill require DOE to prepare a report compiling certain data over a 40 year period. DOE will use information gathered from the report to realign current statewide academic standards not later than the 2025-2026 school year. Provisions in the bill also require DOE to prepare certain forms for use by students and their families if they would like to appeal a decision in the event that their request to transfer schools is denied. The bill's requirements are within the agency's routine administrative functions and should be able to be implemented with no additional appropriations, assuming near customary agency staffing and resource levels.

*State Board of Education (SBOE):* Provisions in the bill require SBOE to assist DOE in realigning academic standards. SBOE is also required to create rules regarding the transfer of students between school corporations for athletic reasons, and to hear student appeals if a student's request to transfer was denied. These provisions represent a minor workload increase.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** Provisions in this bill may represent a workload and expenditure increase for school corporations who are required under this bill to:

- 1) Mail transfer requests and transfer request denials through certified mail;
- 2) Assist a student commence an appeals process if the student's request to transfer is denied; and
- 3) Pay transfer tuition to another school corporation if the student's request to transfer is accepted.

**Explanation of Local Revenues:** Current statute allows transferee school corporations to charge transfer tuition to either the transferor school corporation if the transferor school corporation approves of the transfer, or to the student if the transferor school corporation does not approve of the transfer. If more students transfer between schools because of this bill, students whose transfer is approved would shift transfer tuition revenue between school corporations. Students whose transfer is not approved would increase transfer tuition revenue for transferee school corporations, while the transferor school corporation would lose revenue from state tuition support. When transfers are not approved, the transferee school corporation's revenue increases a little more than the transferor school corporation's revenue decreases. [From FY 2021 to FY 2023, approximately \$16.4 M in transfer tuition revenue was generated statewide each year by 96 school corporations.]

**State Agencies Affected:** Department of Education; State Board of Education.

**Local Agencies Affected:** School corporations.

**Information Sources:** LSA Form 9 Database.

**Fiscal Analyst:** Kelan Fong, 317-232-9592.