

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

**LS 6949**  
**BILL NUMBER: SB 363**

**NOTE PREPARED: Jan 3, 2025**  
**BILL AMENDED:**

**SUBJECT:** Victims of Bullying.

**FIRST AUTHOR:** Sen. Niezgodski  
**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

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

**IMPACT:** State & Local

**Summary of Legislation:** This bill amends the definition of "eligible student" for purposes of eligibility under the Indiana Education Scholarship Account Program. The bill requires a school to provide certain victims of bullying with the option to finish the semester by means of virtual instruction or remote learning. It also makes conforming changes.

**Effective Date:** July 1, 2025.

**Explanation of State Expenditures:** *Education Scholarship Account Program:* Under the bill, a student who is a victim of a bullying incident that resulted in an investigation that determined a transfer to another school is warranted would now be eligible for the Education Scholarship Account (ESA) Program if they meet the income requirements of the program. The bill specifies that siblings of these students are also eligible for the ESA Program. The number of students that would be newly eligible is unknown, but would likely be limited and would also be dependent upon the appropriation made to the ESA Program and the demand for the program from students in FY 2026 and beyond. Students transferring from a school corporation to utilize an ESA at a nonpublic school decrease state expenditures.

*Virtual Instruction:* The bill requires school corporations to allow a student who is a victim of a bullying incident that resulted in an investigation that determined a transfer to another school is warranted to finish a semester by means of virtual instruction. To the extent school corporations do not already do this, students in virtual instruction could increase. Using FY 2025 funding amounts, each student who switches from in-person instruction to virtual instruction before an ADM count date in a semester would reduce state tuition support expenditures by about \$500. Any impact is expected to be minimal.

**Additional Information -**

*ESA Program:* Under current law, the ESA program provides state funding to students who are not enrolled at a public school and have, or have a sibling who has, a disability for which an individualized education plan, service plan, or a choice special education plan has been developed. That funding is placed in an account that can be utilized to pay for certain education-related expenses.

*Prevalence of Bullying:* In FY 2024, there were over 33,000 incidences recorded by public schools of bullying, intimidation, or verbal aggression or profanity that resulted in an arrest, expulsion, or suspension.

*Virtual Instruction:* Students that are receiving more than half of their instruction in a virtual environment are counted as virtual students in the state's average daily membership (ADM) student count dates, which occur in October and February of every year. Under the current state tuition support funding formula, public schools receive about \$1,000 less annually (or \$500 less per semester) in the Foundation Grant than non-virtual students.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** Providing certain bullying victims with an option to receive virtual instruction would likely be implemented with existing staff and resources. Many school corporations offer virtual instruction already, and there are many virtual schools that are open to all Indiana students.

**Explanation of Local Revenues:** Any reduction in ADM, and the resulting reduction in state tuition support, from certain bullying victims switching to the ESA is expected to be small and dependent upon the appropriation made to the ESA Program and the demand for the program from students in FY 2026 and beyond. Any state tuition support revenue decrease that results from an increase in certain bullying victims switching from in-person instruction to virtual instruction in a semester is also expected to be small. [See *Explanation of State Expenditures.*]

**State Agencies Affected:**

**Local Agencies Affected:** School corporations.

**Information Sources:** LSA Education Database.

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