

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

LS 7233
BILL NUMBER: SB 366

NOTE PREPARED: Feb 13, 2025
BILL AMENDED: Feb 10, 2025

SUBJECT: Education Matters.

FIRST AUTHOR: Sen. Rogers
FIRST SPONSOR: Rep. Behning

BILL STATUS: As Passed Senate

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: *Reports:* Not later than October 1, 2025, this bill requires the Department of Education (DOE) to submit a report to the General Assembly concerning school bus driver safety education training. Not later than August 1, 2025, it also requires the Early Learning Advisory Committee, in coordination with DOE, to assess certain prekindergarten program matters and submit a report to the Legislative Council.

School Corporations: The bill makes certain changes concerning the process of filling a school board vacancy. It provides that a superintendent is preferred (current law says required) to hold a master's degree from certain institutions. This bill provides that certain covered school buildings are not required to revert to a school corporation if the building is subject to ongoing renovations. The bill provides that the parent of any student, regardless of the student's age, or the student after the student has become 18 years of age, may request a transfer from a school corporation in which the student has a legal settlement to a transferee school corporation in Indiana. It removes a requirement that a superintendent must discuss a plan for annual performance evaluations with a teacher or the teacher's representative.

Effective Date: July 1, 2025.

Explanation of State Expenditures: *Reports:* The bill requires the Early Learning Advisory Committee, in consultation with DOE, to prepare a report on On My Way PreK funding strategies for public schools outside of CCDF enrollment. The bill also requires DOE to prepare a report concerning school bus driver safety education training. Both reports will be submitted in FY 2026 and represent a temporary workload increase for the agencies that should not require additional appropriations, assuming near customary agency staffing and resource levels.

Transfer Students: Beginning in FY 2026, the bill allows parents to request a transfer for their child to a school corporation outside of the student's legal settlement for any reason. This represents a workload decrease for SBOE who will no longer officiate an appeals process regarding denied transfer requests.

Sale or Lease of School Buildings: The bill grants State Educational Institutions (SEIs) additional flexibility

to purchase or lease a covered school building for \$1 before it must be returned to the school corporation. This may increase the number of covered buildings an SEI is interested in leasing or purchasing under the \$1 law which could decrease the future expenditures of an SEI. [SEIs receive state funding through General Fund appropriations.]

Explanation of State Revenues:

Explanation of Local Expenditures: *Transfer Students:* The bill allows parents to request a transfer for their child to a school corporation outside of the student’s legal settlement area for any reason. This will increase transferor school corporation transfer tuition expenditures.

School Corporations: Provisions in the bill repeal existing school corporation requirements and are expected to decrease school corporation workloads beginning in FY 2026.

Sale or Lease of School Buildings: The bill grants charter schools additional flexibility to purchase or lease a covered school building for \$1 before it must be returned to the school corporation. This may increase the number of covered buildings a charter school is interested in leasing or purchasing under the \$1 law which could decrease the future expenditures of a charter school.

Explanation of Local Revenues: *Transfer Tuition:* Provisions in the bill are expected to increase the number of students who transfer between school corporations. This will increase transfer tuition revenue received by transferee school corporations. The provision will also shift tuition support revenue from the transferor school corporation, to the transferee school corporation.

Sale or Lease of School Buildings: The bill provides charter schools and SEIs more flexibility to purchase or lease a covered school building. Dependent on the extent that this increases the number of school corporations required to sell or lease a school building for \$1, school corporations would experience a revenue decrease dependent upon how much the school would have otherwise received if it had sold or leased the building at a market rate.

State Agencies Affected: Department of Education; State Board of Education; Family and Social Services Administration; state education institutions.

Local Agencies Affected: Public schools.

Information Sources: Department of Education

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