

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

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 7126**  
**BILL NUMBER: HB 1902**

**DATE PREPARED:** Jan 23, 1999  
**BILL AMENDED:**

**SUBJECT:** Transfer Tuition.

**FISCAL ANALYST:** David Hoppmann  
**PHONE NUMBER:** 232-9559

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

**IMPACT:** State & Local

**Summary of Legislation:** This bill would allow a student who is placed in a state licensed private or public health care or child care facility by a parent or guardian, to attend school in the school corporation in which the facility is located (if the placement is projected by a physician for no less than fourteen consecutive calendar days or an aggregate of twenty calendar days). Current law requires the placement to be for at least four weeks.

It would allow a school corporation to enter into an agreement to pay transfer tuition to a nonprofit corporation that educates children who have been placed in a health care or child care facility under certain circumstances.

It would limit the amount of transfer tuition paid to a health care or child care facility to what a transferee school corporation would receive under normal circumstances.

**Effective Date:** July 1, 1999.

**Explanation of State Expenditures:** The Department of Education would likely experience a minimal increase in administrative time fulfilling the requirements of this portion of the bill.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** Under current law, a student who is placed in a state licensed private or public health care or child care facility (by a parent or guardian) may attend school in the school corporation in which the facility is located (if the placement is for no less than four weeks). This bill would change the minimum requirement of placement from four weeks to fourteen consecutive calendar days or an aggregate of twenty calendar days, and would require that the placement be recommended by a physician (under current law, such a placement does not require a physician's recommendation).

Under current law, certain not-for-profit corporations which educate children are allowed to receive transfer tuition from school corporations in order to provide a student with an individualized education program. This bill would allow state licensed private or public health care and child care facilities to receive school corporation transfer tuition.

In accordance with the provisions of this bill, transferor and transferee school corporations would be responsible for payment of transfer tuition to state licensed private or public health care facilities providing students with individualized education programs. The amount of transfer tuition paid to a health care or child care facility would be limited to what a transferee school corporation would receive under normal circumstances.

Under current law, transferor school corporations are responsible for the following funding items when paying for a student sent to a transferee school corporation: 1) Primetime; 2) Tuition Support; 3) Enrollment Growth; 4) At-Risk; 5) Vocational Education; 6) Special Education; 7) Prior Year General Fund Auto and Bank Excise Tax; 8) General Fund Levy; and 9) Academic Honors Diploma Awards. They are also responsible for certain operating costs as well as for County Adjusted Gross Income Tax (CAGIT) used for property tax replacement.

For 1999, the statewide average cost to educate a student (including items 1-9 above) was approximately \$4,975 with a range from \$4,337 to \$6,948. Accurate school corporation transfer tuition operating cost figures are currently indeterminable.

This bill could result in additional administrative duties at the local school corporation level regarding the tracking and payment of student transfers. The amount of transfer tuition payed, as a result of this bill, could vary significantly from school corporation to school corporation, and would depend upon the number of students falling within the criteria of this bill.

**Explanation of Local Revenues:** See Explanation of Local Expenditures.

**State Agencies Affected:** Department of Education, State Board of Education, State Budget Agency, and Commission for Higher Education.

**Local Agencies Affected:** School Corporations.

**Information Sources:** Patty Bond, Department of Education, 317/232-0840.