

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7268**

**BILL NUMBER:** HB 1356

**NOTE PREPARED:** Jan 29, 2004

**BILL AMENDED:** Jan 29, 2004

**SUBJECT:** Transfer tuition.

**FIRST AUTHOR:** Rep. Scholer

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED:** X GENERAL  
DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** This bill provides that a student who is placed in a facility, a home, or an institution may attend school in the school corporation in which the facility, home, or institution is located, and that the state is required to pay transfer tuition for the student if no other person or entity is required to pay the student's transfer tuition.

**Effective Date:** July 1, 2004.

**Explanation of State Expenditures:** (Revised) The impact would depend on the number of students that are currently placed in a public care facility, childcare facility, or foster family home and there is no person or entity required to pay the student's transfer tuition. The primary students covered are students where a court terminates the parental rights and places the students in a facility in another school corporation, but no guardian or parent is identifiable. It is unknown how many additional students the state would be required to pay transfer tuition. The Department of Education estimates that the bill might qualify an additional 30 students for state transfer tuition. For the 2002-03 school year the state paid \$14,471, excluding students under mental health statute, in transfer tuition for 24.5 students. The average claim was \$578.44 per student. If the cost of the additional 30 students is the same as the state's current transfer tuition cost then impact would be about \$17,400 annually. For FY 2003, the state spend \$27,065 of the \$215,000 transfer tuition appropriation and reverted \$187,935.

*Background:* Transfer tuition is paid on the daily costs of the school programs that serve the transfer students. Transfer tuition is approximately the school's General Fund expenditures per ADM but could vary within the school depending on the programs serving the student. Special education and vocational education programs have higher transfer tuition cost than elementary education programs.

School corporations of legal settlement are required to pay transfer tuition if a student is placed in a state licensed private or public health care facility, childcare facility, or foster family home by the Division of Family and Children, court order, or child-placing agency licensed by the Division of Family and Children. A school is also responsible for transfer tuition if the placement is recommended by a physician and is for more than 14 consecutive calendar day or an aggregate of 20 calendar days.

The state is responsible for transfer tuition for students placed in an institution operated by the Division of Family and Children or the Division of Mental Health and Addiction or in an institution, a public or private facility, a home, a group home, or an alternative family setting by the Division of Disability, Aging, and Rehabilitative Services or the Division of Mental Health and Addiction.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

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

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

**Local Agencies Affected:** Local Schools.

**Information Sources:** Budget Agency Appropriation and Allotments database, Kevin McDowell 317-232-6647, School Finance 317-232-0840.

**Fiscal Analyst:** Chuck Mayfield, 317-232-4825.