

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

LS 6533

BILL NUMBER: HB 1098

NOTE PREPARED: Jan 20, 2026

BILL AMENDED: Jan 20, 2026

SUBJECT: Work Based Learning Liability.

FIRST AUTHOR: Rep. Commons

BILL STATUS: CR Adopted - 1st House

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) The bill requires an intermediary and an employer to enter into an agreement that sets forth the duties and responsibilities of the intermediary and the employer when participating in a work based learning program. It also repeals provisions relating to the Federal School to Work Opportunities Act under the worker's compensation and worker's occupational diseases compensation laws.

The bill provides that, subject to certain limitations, a student who performs services for an employer as part of a work based learning program is entitled to benefits under the worker's compensation and worker's occupational diseases compensation laws. The bill also provides that any underwriting decision made by an insurer or rating factor applied to a participant must be based on objective risk based criteria that are applied uniformly and without regard to the age of the student to be covered under the policy.

Effective Date: July 1, 2026.

Explanation of State Expenditures: (Revised) To the extent that additional private sector intermediaries begin to assume liability and/or worker's compensation insurance coverage, the bill could reduce expenditures for state agencies and state educational institutions that may currently provide insurance coverage for students participating in work based learning courses.

The bill may increase workload for the Department of Education (DOE), the Worker's Compensation Board, and the Indiana Department of Insurance (DOI) to ensure compliance, but should be able to be implemented using existing staffing and resources. *[The DOI is funded through a dedicated agency fund.]*

Additional Information: Currently, IC 20-20-38.5 provides for instances where the DOE shall contract or maintain an MOU for employer liability and worker's compensation insurance coverage for work based learning courses. Students may also be covered by a participating local school district or employer.

Explanation of State Revenues:

Explanation of Local Expenditures: (Revised) To the extent that private sector intermediaries assume insurance liability and/or worker's compensation coverage, the bill would reduce expenditures for schools and other local units that provide insurance coverage to students participating in work based learning courses.

Explanation of Local Revenues:

State Agencies Affected: Department of Education; Indiana Department of Insurance; State Educational Institutions; Worker's Compensation Board; state agencies serving as work based learning intermediaries.

Local Agencies Affected: Public schools; local units serving as work based learning intermediaries.

Information Sources: Commission for Higher Education:

www.in.gov/che/files/240214_RELEASE_Intermediary-Capacity-Building-Grant-Recipients -A.pdf.

Fiscal Analyst: Jason Barrett, 317-232-9809; Allison Leeuw, 317-234-9465.