

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

**LS 7001**  
**BILL NUMBER: HB 1325**

**NOTE PREPARED:** Feb 2, 2026  
**BILL AMENDED:** Jan 27, 2026

**SUBJECT:** Special Education.

**FIRST AUTHOR:** Rep. Pfaff  
**FIRST SPONSOR:** Sen. Goode

**BILL STATUS:** As Passed House

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

**IMPACT:** State & Local

**Summary of Legislation:** This bill requires the Department of Education, in collaboration with the Indiana Department of Health, the Department of Child Services, and the Office of the Secretary of Family and Social Services to report and make recommendations concerning certain data regarding residential placement, developmental preschool, and special education.

**Effective Date:** July 1, 2026.

**Explanation of State Expenditures:** The following agencies will experience a one-time workload impact in FY 2027 to prepare the report required under the bill:

- 1) The Department of Education (DOE);
- 2) The Indiana Department of Health;
- 3) The Department of Child Services; and
- 4) The Family and Social Services Administration.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** Public school workload will increase to provide the information required to complete the report. This is within a public school's routine administrative functions and should be able to be implemented with no additional appropriations, assuming near customary agency staffing and resource levels.

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of Education; Indiana Department of Health; Department of Child Services; Family and Social Services Administration.

**Local Agencies Affected:** Public schools.

**Information Sources:**

**Fiscal Analyst:** Kelan Fong, 317-232-9592.