

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

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6678

BILL NUMBER: HB 1198

NOTE PREPARED: Dec 27, 2004

BILL AMENDED:

SUBJECT: Student Suspensions and Expulsions.

FIRST AUTHOR: Rep. Thompson

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill requires schools to report the reasons for student suspensions and expulsions to the Department of Education. The bill authorizes an agreement for court assisted resolution of suspension and expulsion cases between a court having juvenile jurisdiction and a school corporation. The bill provides that the court shall either supervise the student or order the supervision of the student. The bill provides that the court and the school corporation may jointly determine which violations leading to suspension or expulsion are eligible for referral to the court. The bill provides that the school corporation and the court shall determine how the costs of supervising a student under the agreement shall be paid. The bill allows the school corporation to disclose the education records of a student who has been suspended or expelled to a court.

Effective Date: July 1, 2005.

Explanation of State Expenditures: Under the bill, the Department would require additional administrative time to compile categorical data on expulsions and suspensions. The provision would likely be able to be accomplished within existing staff and resources. The impact of this provision to state expenditure should be minimal.

Explanation of State Revenues:

Explanation of Local Expenditures: *Summary:* The impact of the bill to local expenditures is indeterminable and would vary by county depending on local action.

Under the bill, courts having juvenile jurisdiction and school corporations would have the option to enter into

an agreement to place students that have been either suspended or expelled into a supervisory program, devised by either the court or the school. Under the bill, a school corporation may not be required to expend more than the target revenue per adjusted ADM (average daily membership) for each student referred to the program. The FY 2005 statewide average target revenue per adjusted ADM is approximately \$5,300. A typical school corporation's target revenue per adjusted ADM varies from approximately \$4,700 to \$7,800 in FY 2005. If an agreement were entered into between a school corporation and court, the school corporation's disciplinary rules would have to specify when the student would be referred to the court.

Parents of students would be required to be notified of a referral to appear at a court hearing.

Supervisory programs could include an alternative school and could require additional education and/or court personnel to staff the alternative school. Additional expenditure may be required for the rental of a facility to house an alternative school. However, the school corporation and the juvenile court would have the option to determine the type of supervisory program and the funding of the expenses for a program.

Background Information: Currently, a few school corporations have cooperative agreements with the courts for alternative programs. Western Boone Community School Corporation in cooperation with the Lebanon School Corporation already have an established program with the Boone County Circuit Court. Both school corporations expend approximately \$48,000 plus minimal materials cost per school year to fund the alternative school that operates within Boone County. Expenditures include the salary and benefits of one additional staff member and photocopies of instructional materials. The Boone County program is designed for students that have been suspended for ten days or less. These school corporations, combined, had 202 separate incidents of out-of-school suspension in the 2003-2004 school year. The duration of each suspension is not known. Western Boone had funded their share of the program with some of their at-risk grant. However, given the restructuring of school funding, the school corporation currently funds the program through their general fund, which includes state school formula dollars and property tax revenue.

For the 2003-2004 school year, Indiana's average daily membership (ADM) consisted of 974,723 students, and public school enrollment totaled 1,010,688. Approximately 2,000 public schools were in operation within Indiana's 294 school corporations during that time.

The following table illustrates the number of suspensions and expulsions from school year 2000 to 2004. (Data for the 2004 school year is not yet complete).

Suspensions and Expulsions for School Years 2000-2004

YEAR	SUSPENSIONS	EXPULSIONS
2004*	92,141	2,042
2003	267,724	5,795
2002	308,605	6,095
2001	287,804	6,781
2000	295,099	7,307

*Data available as of September 2004.

Report of Student Expulsion/Suspension Reasons: Under the bill, schools would be required to report to the Department the total number of expulsions and suspensions for the following categories: assault/physical aggression, profanity/verbal aggression, disruptive behavior, defiance, attendance, destruction of property, alcohol drugs tobacco, weapons, and other. School officials would require additional administrative time to compile and send the required data. Schools should be able to comply with this provision within existing resources.

Explanation of Local Revenues:

State Agencies Affected: Department of Education, State Board of Education.

Local Agencies Affected: Local courts and school corporations.

Information Sources: DOE SAS and ORACLE DATABASES; Mr. Ken Hull, Superintendent, Western Boone Community School Corporation.

Fiscal Analyst: Chris Baker, 317-232-9851.