

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

**LS 7956**

**BILL NUMBER:** HB 1794

**NOTE PREPARED:** Mar 22, 2005

**BILL AMENDED:** Mar 17, 2005

**SUBJECT:** Graduation Rate Determination.

**FIRST AUTHOR:** Rep. Behning

**FIRST SPONSOR:** Sen. Lubbers

**BILL STATUS:** As Passed Senate

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

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) The bill includes certain additional groups of students in the determination of a school's graduation rate. The bill establishes certain procedures concerning a student who has left school and whose location is unknown to the school. The bill makes technical corrections to conform with the Title 20 recodification.

**Effective Date:** July 1, 2005.

**Explanation of State Expenditures:** *Summary:* The State Attendance Officer (SAO) would be required to attempt to find a student that has not been located by the student's last attended school. If found, the SAO would be required to report the student's whereabouts and new school to the student's previous attended school. The Department of Education's resources should be sufficient to carry out this provision.

The Department would be required to calculate an estimated graduation rate based on the number of graduates in a reporting year divided by the total number of students enrolled in the 9<sup>th</sup> grade three years before the reporting year. The Department may need to request data regarding missing students from local school corporations when making some of their calculations.

The Department of Education's resources should be sufficient to carry out these provisions.

*Background:* As of September 7, 2004, the Department of Education had 263 full-time staff members. For FY 2005, the Department has 272 budgeted full-time positions, 10 budgeted temporary positions, and 36 budgeted intermittent positions.

The Department reverted \$4.3 M in FY 2004.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** (Revised) *Summary:* Under the bill, school corporations could require additional administrative time to track missing students. School corporations would have to track students who attended school in Indiana for less than a year and cannot be located, children reported on the Indiana Clearinghouse for Information on Missing Children (the Clearinghouse) and high ability students that withdrew from high school prior to graduation and attend college full-time.

Under current law, the Indiana State Police must distribute a quarterly report to schools of missing children on the Clearinghouse.

School corporations with missing students would need to note any missing students from the Clearinghouse report. School corporations would then need to forward that information to the Department of Education for the calculation of the graduation rate.

In the case of a student that cannot be tracked under the provisions of the bill and current law, schools would require minimal expenditure to send a certified letter to the last known address of the student. If the letter fails to locate the student or goes unanswered, the principal of the school would be allowed to submit the student's information (including last known address) to the State Attendance Officer.

*Background:* The cost to send a certified standard business letter of one ounce weight or less is \$0.37 for first class postage, \$2.30 to send certified, and \$1.75 for a return receipt.

**Explanation of Local Revenues:**

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

**Local Agencies Affected:** School corporations.

**Information Sources:** State of Indiana *HRM Detail Staffing Report 9/07/2004*; Indiana State Budget Agency BUDSTARS; United States Postal Service.

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