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**FISCAL IMPACT STATEMENT**

**LS 6140**

**BILL NUMBER: SB 262**

**NOTE PREPARED: Nov 17, 2005**

**BILL AMENDED:**

**SUBJECT:** Determination of High School Graduation Rates.

**FIRST AUTHOR:** Sen. Sipes

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:  GENERAL  
 DEDICATED  
 FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** The bill provides that a student who has received a General Educational Development (GED) diploma by the end of the semester in which the student's class graduates is not included as a dropout for purposes of determining a school's graduation rate.

**Effective Date:** July 1, 2006.

**Explanation of State Expenditures:** *Summary:* The proposed change to the graduation rate calculation could affect the Department of Education's determination of a school's Adequate Yearly Progress (AYP). The Department should be able to accommodate the proposed change within existing resources. The exact number of high school students the provision could affect is currently unknown.

*Background Information:* For the 2004-2005 school year, 12,306 students aged 16-18 participated in an adult education program. Of the total, 5,722 were involved with Adult Basic Education and 6,168 were involved with Adult Secondary Education. For the same year, approximately 11,173 students of all ages participated in either Adult Basic Education (low) or Adult Basic Education (high) programs including Adult Secondary Credit and the GED.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** Under the bill, schools could have a higher graduation rate than the rate

calculated under current law. The proposed calculation could affect a school's AYP and the school's accreditation status.

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

**Local Agencies Affected:** Schools.

**Information Sources:** Department of Education: [www.doe.state.in.us/adulted/pdf/postperf04.pdf](http://www.doe.state.in.us/adulted/pdf/postperf04.pdf).

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