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FISCAL IMPACT STATEMENT

LS 6982

BILL NUMBER: HB 1750

NOTE PREPARED: Jan 14, 2007

BILL AMENDED:

SUBJECT: Graduation Exam As Condition for Driver's License.

FIRST AUTHOR: Rep. Turner

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: *GQE Passage As Condition for Driver's License-* The bill provides that an individual who is less than 18 years of age may not receive a driver's license if the individual does not meet the academic standards tested in the graduation examination (GQE).

School Reporting of Students Not Passing GQE- The bill requires the principal of a high school to report to the governing body of the school corporation the name of a student who: (1) is ineligible to receive a driver's license because of failure to meet the academic standards; or (2) has become eligible to receive a driver's license after a second or subsequent graduation examination.

BMV- The bill requires the governing body to submit the pertinent information concerning a student's eligibility to the Bureau of Motor Vehicles (BMV).

Effective Date: July 1, 2007.

Explanation of State Expenditures: *BMV-* The impact to BMV expenditures would depend on the number of students that did not meet the educational proficiency standards tested in the GQE. The Bureau of Motor Vehicles would incur costs associated with the receipt, processing, and storage of the names: students that did not pass the GQE initially and subsequently passed; and students that may not have passed the GQE on more than one occasion. The bill does not make an appropriation to cover the above costs. Therefore, the BMV would have to fulfill the above requirements within their existing level of resources. The affected account is the Motor Vehicle Highway Account which supports the BMV.

Background Information:

GQE- The GQE is currently administered for the first time in a student's career during the fall semester of their 10th grade year. If the student does not pass the GQE after the first attempt, the student has additional opportunities to pass the examination.

Data from the fall 2006 GQE indicates that 25,017 10th grade students did not pass the English Language Arts portion. Also, 26,335 10th grade students did not pass the Mathematics portion of the GQE during the fall of 2006. The number of 10th graders not passing both portions of the GQE is not known.

BMV- As of January 1, 2007, the BMV had 72 vacancies valued at \$1.8 M.

Explanation of State Revenues: *GQE Passage As Condition for Driver's License*- There would be an indeterminable reduction on the amount of revenue received from driver's license fees from ineligible students under the bill. Currently, the fee for a three-year operator's license is \$12. Driver's license fees are deposited into the Motor Vehicle Highway Account.

Explanation of Local Expenditures: *School Reporting of Students Not Passing GQE*- School corporations would require some additional administrative time to pass on the required data to the BMV. Schools already tabulate ISTEP scores to identify students in need of remediation and to determine graduation. This provision should have a minimal impact on school expenditures.

Explanation of Local Revenues:

State Agencies Affected: Bureau of Motor Vehicles; Department of Education.

Local Agencies Affected:

Information Sources: DOE SAS and ORACLE DATABASES, *Indiana Handbook of Taxes, Revenues, and Appropriations*; Vacancy Position Report, January 1, 2007.

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