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**FISCAL IMPACT STATEMENT**

**LS 6472**

**BILL NUMBER:** SB 338

**NOTE PREPARED:** Apr 15, 2013

**BILL AMENDED:** Apr 10, 2013

**SUBJECT:** Chronic School Absenteeism.

**FIRST AUTHOR:** Sen. Kruse

**FIRST SPONSOR:** Rep. Behning

**BILL STATUS:** As Passed House

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

**IMPACT:** State & Local

**Summary of Legislation:** This bill has the following provisions:

*Absenteeism:* The bill requires the Department of Education (DOE) to provide resources and guidance to school corporations concerning evidence-based practices and effective strategies to reduce absenteeism. It makes changes to the definition of: (1) chronic absenteeism; and (2) habitual truant.

It requires school corporations and schools to identify contributing factors to absenteeism and to develop chronic absence reduction plans. It provides that a school corporation's strategic and continuous school improvement plan must include objectives relating to the educational needs of students who are chronically absent or habitually truant from school.

*High Performing Schools:* It provides that a school that is designated in the top two categories or designations of school improvement in the year immediately preceding a year in which the school's strategic and continuous school improvement plan (plan) initially goes into effect is not required to include certain achievement objectives or components in the school's plan.

*Reporting:* The bill provides that a school corporation must include the number of students who are habitually truant in the school corporation's annual performance report.

*Issuance of Charter to Certain Organizers:* The bill provides that before a charter school authorizer may issue a charter to an organizer who has had its charter terminated or has been informed that its charter will not be renewed by the organizer's current authorizer, the authorizer must request to have the proposal reviewed by the State Board at a hearing. The State Board shall conduct a hearing in which the authorizer must present

information indicating that the organizer's proposal is substantively different from the organizer's current proposal with its current authorizer.

*Commission on Education Study Committee:* The bill establishes the commission on education interim study committee.

*Paths to QUALITY Program:* The bill establishes the Paths to QUALITY program in the Division of Family Resources (DFR) for the purpose of rating the services provided by child care facilities, including early education services.

*Early Learning Advisory Committee:* The bill establishes the Early Learning Advisory Committee to evaluate various matters related to early education programs.

*Early Education Matching Grant Program Fund:* The bill also establishes the Early Education Matching Grant Program Fund to provide matching grants to meet certain qualifications in the delivery of early education services to four-year-old children.

The bill also makes conforming amendments.

**Effective Date:** Upon Passage; July 1, 2013.

**Explanation of State Expenditures:** *Absenteeism:* The bill's requirements are within DOE's routine administrative functions and should be able to be implemented with no additional appropriations, assuming near customary agency staffing and resource levels.

Under the bill, DOE would be required to make absenteeism a priority, to direct school corporations and schools to identify contributing factors of absenteeism, and to develop programs to reduce it. As part of this effort, DOE would provide to corporation and schools resources and guidance on evidence based practices and effective strategies that reduce absenteeism in schools.

*Commission on Education Study Committee:* This bill establishes the committee consisting of the members of the Senate Education and Career and Development Committee and the House Education Committee. The chairpersons of the Senate Education and Career and Development Committee and the House Education Committee are to serve as co- chairpersons of the committee. Each member of the committee who is a member of the General Assembly is entitled to receive the same per diem, mileage, and travel allowances paid to legislative members of interim study committees established by the Legislative Council. The committee is to operate under the policies governing study committees adopted by the Legislative Council. Legislative Council resolutions in the past have established budgets for interim study committees in the amount of \$16,500 per interim for committees with 16 members or more.

The committee would study the following issues:

- (1) The development of definitions of excused and unexcused absences from school.
- (2) The effectiveness of voluntary agreements between school corporations and courts having juvenile jurisdiction in providing court supervised educational programs, alternative programs, or diversion programs for students who are habitually truant, suspended, or expelled from school, including: (a) the number and types of agreements and programs in Indiana; (b) the effects of these programs on parents and students; and (c) the success of the programs in reintegrating students into the classroom would be studied.

(3) Evidence based practices and model programs for reducing absenteeism and supporting student engagement and achievement.

(4) The feasibility of modifying Temporary Assistance for Needy Families (TANF) program eligibility for households to include school requirements for students.

(5) Any other issues related to student absenteeism.

*Issuance of Charter to Certain Organizers:* The State Board should be able to meet the requirements of this provision within its existing resources especially if the proposal would be evaluated at one of the regularly scheduled meetings. Seven charter schools did not have their contract renewed for the 2013-14 school year.

*Paths to QUALITY Program:* The DFR should be able to implement this provision within existing resources. This program is a voluntary child care facility rating and improvement system implemented by the division in partnership with other organizations. The program uses four levels at which a child care facility participating in the program may be rated, with Level 4 indicating the highest level of quality child care.

Under this provision the office of the secretary of the DFR is to adopt rules to administer the rating system. The office is to also adopt rules to establish the steering council of the program to make recommendations to the division on program issues and resources.

*Early Learning Advisory Committee:* The bill creates this committee to assess and evaluate the quality and availability of early education programs for children and to perform other duties relating to preschool education. The committee, which consists of six members appointed by the Governor, would be staffed and financed by the DFR. Increases in DFR workload and expenditures relating to the committee are expected to be within existing resources.

*Early Education Matching Grant Program Fund:* The division should be able to administer the fund and carry out the requirements of this provision and the Department of Education and the State Treasurer should be able to carry out their responsibilities under this provision within existing resources.

The bill establishes this fund to provide matching grants to eligible providers of early education services that meet the standards of quality recognized by a Level 3 or Level 4 Paths to QUALITY program rating. The division is to establish an application process for grants from the fund. A grant may be awarded to an applicant who agrees to operate as an eligible provider as stipulated by this bill and has obtained (or has a commitment for) a matching grant. A child eligible to participate under this grant must be (1) four years old; (2) a member of a household with an annual income that does not exceed 185% of the federal poverty level (FPL); and (3) a state resident. Eligible providers must provide eligible services a minimum of 180 days per year and comply with other requirements and standards as stipulated by this provision.

The fund consists of appropriations from the General Assembly, grants, and gifts. The Treasurer of State shall invest money in the fund; money in the fund at the end of the fiscal year does not revert to the state General Fund.

The division is to monitor the educational outcomes of students under this grant program. The Department of Education is to assign student testing numbers to the children in the program. The division and the Department of Education are to cooperate to ensure that the other applicable requirements of this bill are completed.

Beginning in 2015, the division is to submit an annual report on the progress of students in the program to the

committee, the Governor and, in an electronic format, to the Legislative Council.

According to Kids Count Data Center, an estimated 40,000 four-year-old children in the state have a family income at or below 185% FPL. These children would be eligible for the program.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** *Absenteeism; Reporting:* School corporations and schools should be able to accomplish this task within existing resources.

School corporations and schools, under the direction of DOE, would have to identify contributing factors of absenteeism and develop programs to reduce it. These plans and programs would be incorporated in the continuous school improvement plans of corporations and schools. In particular, the continuous improvement plan must address how the corporation or school would educate students who are chronically absent or habitually truant.

Corporations must include the number of students who are habitually truant in their annual performance report.

*High Performing Schools:* The fiscal impact would depend on whether the school would achieve the same academic designation with or without the strategic and continuous improvement plan. If the school would achieve the same designation, this would suggest that the plan itself was not essential and the school could save on the administrative cost of developing it.

Based on 2012 academic performance data from the Department of Education, approximately 909 schools (public and non-public schools) would qualify under this provision.

Under the bill, high performing schools would not be permitted to waive rules that relate to the health or safety of students or school personnel, special education rules, or applicable federal statutes or regulations.

**Additional Information:**

*Absenteeism:* Current law defines both chronic absenteeism and habitual truancy as being absent from school for more than 10 days within a school year without being excused. This bill, however, redefines both conditions and has a more stringent standard for chronic absenteeism. Chronic absenteeism is defined as being absent from school for 10% or more of the school year (18 days minimum for a 180-day school year) for any reason; habitual truancy, under the bill, is defined as being absent 10 days or more within a school year without being excused or without being absent under a parental request that has been filed with the school.

*High Performing Schools-Strategic and Continuous Improvement Plan:* Under current law, each school has to develop a three year continuous school improvement and achievement plan. The plan must state objectives for the school to achieve in the following areas: (1) attendance rate; (2) the percentage of students meeting academic standards under the ISTEP program; and (3) for a secondary school, the graduation rate.

The plan must contain the following components for the school: (1) a list of the statutes and rules that the school wishes to have suspended from operations for the school; (2) a description of the curriculum; (3) a description and name of the assessments that will be used in the school in addition to ISTEP program

assessments; (4) a provision to maximize parental participation in the school; (5) a provision to maintain a safe and disciplined learning environment for students and teachers; (6) a provision for the coordination of technology initiatives and ongoing professional development activities. Additionally, for a secondary school, the plan must include a provision to offer courses leading to a honors diploma or Core 40 diploma and to encourage students to enroll in them.

The plan must also address the learning needs of all students, including programs and services for exceptional learners. It must specify how and to what extent the school expects to make continuous improvement in all areas of the education system where results are measured by setting benchmarks for progress on an individual school basis. It must also note specific areas where improvement is needed immediately.

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of Education; State Board of Education; Legislative Services Agency; Division of Family Resources; Office of the Governor; State Treasurer.

**Local Agencies Affected:** School corporations; Public schools; Nonpublic accredited schools.

**Information Sources:** Department of Education website: [www.doe.in.gov/improvement/accountability](http://www.doe.in.gov/improvement/accountability); Kids Count Data Center.

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