

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

200 W. Washington St., Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
iga.in.gov

**FISCAL IMPACT STATEMENT**

**LS 7285**

**BILL NUMBER:** HB 1635

**NOTE PREPARED:** Feb 14, 2023

**BILL AMENDED:** Feb 13, 2023

**SUBJECT:** Various Education Matters.

**FIRST AUTHOR:** Rep. Behning

**FIRST SPONSOR:** Sen. Raatz

**BILL STATUS:** As Passed House

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

**IMPACT:** State & Local

**Summary of Legislation:** *Graduation Rate:* This bill amends the definition of "graduation" for the high school graduation rate determination. It also amends the graduation rate calculation. The bill requires each school corporation to publish on the school corporation's website the graduation rate for each high school in the school corporation. The bill provides that if the State Board establishes an Armed Services Vocational Aptitude Battery as a graduation pathway, the State Board shall require a student who elects the pathway to enlist in the military as a condition of meeting the pathway requirements. It removes a provision that provides that not more than 1% of students of a cohort may receive the alternative diploma established by the State Board.

*Adjunct Teaching Permit:* This bill allows the equivalent authority for a nonpublic school to issue an adjunct teacher permit to certain individuals. It specifies that the content area in which an individual who holds an adjunct teaching permit may teach includes a career and technical education content area in which the school corporation or nonpublic school allows the individual to teach based on the individual's experience.

*Curriculum:* The bill requires the State Board of Education (State Board) to:

- (1) Develop algebra I, algebra II, and geometry courses that include real world application and project based and inquiry based learning; and
- (2) Implement the courses not later than the 2025-2026 school year.

*Immunization Records:* This bill removes a requirement that a school corporation record or include certain immunization information in the official high school transcript for a high school student.

*Accountability Grades:* The bill also provides that the State Board shall assign to a school or school

corporation (including adult high schools) a "null" or "no letter grade" for the 2022-2023 school year. It provides that the Department of Education (DOE) shall develop a proposal for a revised school performance designation not later than December 1, 2024.

**Effective Date:** July 1, 2022 (retroactive); July 1, 2023; July 1, 2024.

**Explanation of State Expenditures:** *Accountability Grades:* Beginning in FY 2024, this bill's provisions may affect a school's accountability grades. This bill also requires the Department of Education (DOE) to develop and propose to the General Assembly a revised accountability grading scale by December 1, 2024. The accountability grade is part of the eligibility criteria of the Charter and Innovation Network School Grant and a component of a private school's eligibility to receive Choice Scholarships. The impact on state expenditures from this bill would likely be minimal and dependent upon the extent that this bill's provisions affect the eligibility for schools to receive a Charter and Innovation Network School Grant or a Choice Scholarship. The bill's provisions also represent a minor workload increase for DOE to develop and propose a new accountability grading scale.

*Curriculum:* Provisions in this bill require that the State Board of Education (State Board) to develop new curriculum which require Algebra I, Algebra II, and Geometry to include real-world applications and project-based and inquiry-based learning. These rules must be implemented no later than the 2025-2026 school year. The bill's requirements are within the State Board's routine administrative functions and should be able to be implemented with no additional appropriations, assuming near customary agency staffing and resource levels.

**Additional Information -**

*Graduation Rate:* Beginning in FY 2024, this bill limits the number of students who have graduated through a waiver process that are allowed to be included in the pool of graduates to 6% of the school corporation's graduation cohort. Beginning in FY 2028, the number of students who have graduated through a waiver process that are allowed to be included in the school corporation's pool of graduates is further limited to 3% of the school corporation's graduating cohort. Additionally, this bill provides that the Armed Services Vocational Aptitude Battery graduation pathway established by the State Board will require enlistment in the military to graduate. This bill also repeals a provision that limits the number of alternative diplomas allowed to be awarded to 1% of the school's graduating cohort. Graduation rates are included when determining a school's accountability grade.

*2022-2023 Accountability Grade:* This bill requires the State Board to retroactively assign schools a "null" or "no letter grade" for the 2022-2023 school year's accountability grades.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** The bill requires schools to incorporate new curriculum no later than the 2025-2026 school year. School corporations are also required to publish on their website the graduation rates for each high school in the corporation. This represents a workload increase that should be completed with existing staff and resources.

**Explanation of Local Revenues:** *Charter and Innovation Network School Grant:* Charter schools may experience improvement or decline in their accountability grades as a result of this bill. If the change in their accountability grade affects their eligibility to receive the Charter and Innovation Network School Grant,

revenue would increase or decrease depending on whether their accountability grade improved or declined, respectively.

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

**Local Agencies Affected:** Public schools.

**Information Sources:**

**Fiscal Analyst:** Kelan Fong, 317-232-9592.