

**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:** Apr 6, 2023

**BILL AMENDED:** Apr 6, 2023

**SUBJECT:** Various Education Matters.

**FIRST AUTHOR:** Rep. Behning

**FIRST SPONSOR:** Sen. Raatz

**BILL STATUS:** CR Adopted - 2<sup>nd</sup> House

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

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) *Graduation Rate:* This bill requires each school corporation to publish on the school corporation's website the graduation rate for each high school in the school corporation. It amends the:

- (1) Definition of "graduation" for the high school graduation rate determination; and
- (2) Graduation rate calculation.

The bill also removes a provision that provides that not more than 1% of students of a cohort may receive an alternate diploma. It also provides that, for purposes of determining a school's or school corporation's graduation rate, not more than one percent of a school's or school corporation's graduation cohort that receives an alternate diploma may be counted as having graduated.

*Adjunct Teacher Permit:* This bill allows charter schools and nonpublic schools to issue an adjunct teacher permit to certain individuals. The bill provides that an individual who holds an adjunct teacher permit may teach in a career and technical education content area in which the school corporation, charter school, 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.

*Graduation Pathways:* This bill provides that, if the State Board establishes an Armed Services Vocational Aptitude Battery (ASVAB) as a graduation pathway, the state board shall require a student who elects the pathway to submit documentation that demonstrates the student's intent to enlist in the military as a condition

of meeting the pathway requirements. It requires the State Board to, not later than July 1, 2023, review and update any guidance issued by the state board regarding the ASVAB as a graduation pathway requirement. It also provides that a school corporation, charter school, or state accredited nonpublic school may not require a student enrolled in the school corporation, charter school, or state accredited nonpublic school to participate in any particular graduation pathway to be eligible to graduate.

*High School Transcript:* The 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. The bill also removes a provision that allows a school corporation to include additional information on a student's high school transcript.

*Immunizations:* This bill provides that any notification or materials provided or distributed by the Indiana Department of Health or a school to a parent of a student regarding required or recommended immunizations for the student must clearly delineate or label immunizations that are required and immunizations that are only recommended.

*School Performance Designation:* This bill provides that the Department of Education shall develop a proposal for a revised school performance designation not later than December 1, 2024.

**Effective Date:** (Amended) Upon passage; July 1, 2023; July 1, 2024.

**Explanation of State Expenditures:** (Revised) *Accountability Grades:* Provisions in this bill may affect a school's accountability grades, including a provision requiring the Department of Education (DOE) to develop and propose a revised accountability grading scale by December 1, 2024. Other provisions in the bill also require the State Board of Education (State Board) to review and update guidance regarding the Armed Services Vocational Aptitude Battery (ASVAB) as a graduation pathway.

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 to participate in the Choice Scholarship Program. The bill's provisions also represent a minor workload increase for DOE to develop and propose a new accountability grading scale and for the State Board to update guidance regarding the ASVAB as a graduation pathway.

*Curriculum:* Provisions in this bill require that the 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.

(Revised) *Indiana Department of Health:* The bill requires the Indiana Department of Health to clearly label which immunizations are required and which immunizations are recommended in any material distributed or provided to parents of students. This is within the agency's routine administrative functions and should be able to be implemented with no additional appropriations, assuming near customary agency staffing and resource levels.

(Revised) *Additional Information* - 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 9% of the school corporation's graduation cohort. 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 6% and 3% beginning in FY 2025 and FY 2026, respectively. This bill also provides that students who intend to use the ASVAB as a graduation pathway are required to fill out a form declaring that they intend to enlist in the military. Additionally, this bill prohibits public schools and accredited nonpublic schools from requiring their students to participate in any particular graduation pathway to be eligible to graduate. Graduation rates are included when determining a school's accountability grade.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** (Revised) The bill's provisions require public schools to:

- (1) Incorporate new curriculum no later than the 2025-2026 school year;
- (2) Publish on their website the graduation rates for each high school in the corporation; and
- (3) Clearly label which immunizations are required and which immunizations are recommended in any material distributed or provided to parents of students.

This bill also repeals statute that allows a school corporation to include additional information on a student's high school transcript that is not already required.

These provisions represent 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 an 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; Indiana Department of Health.

**Local Agencies Affected:** Public schools.

**Information Sources:**

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