

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

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 6773**

**BILL NUMBER: HB 1317**

**DATE PREPARED:** Feb 2, 2000

**BILL AMENDED:** Feb 1, 2000

**SUBJECT:** Programs for suspended and expelled students.

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**FUNDS AFFECTED:** X GENERAL  
DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) (1) This bill requires a school corporation to provide an educational program for students who receive expulsions. It provides that a student's education program may include an assignment to attend various kinds of programs, including an educational program that the school corporation designs. It provides a funding grant administered by the Department of Education, establishes the amount of the grant as equal to the amount provided per pupil under current law for alternative education grants, and obtains funding from money appropriated under current law for alternative education grants. It provides that an expelled student's absence from the student's educational program is a violation of the compulsory school attendance laws. It provides for the payment of transfer tuition for transfer students who are expelled, and includes in the ADM of a school corporation those expelled students who receive educational services.

(2) This bill provides for the release of school records to a court that has juvenile or criminal jurisdiction over a student. It provides for notification of a student's principal by the court if the student is adjudicated to be a delinquent child or if the student is convicted of a criminal offense.

**Effective Date:** July 1, 2000.

**Explanation of State Expenditures:** (Revised) (1) The Department of Education would likely experience a minimal increase in administrative time and cost associated with the provisions of this bill.

However, the funds and resources required above could be supplied through a variety of sources, including the following: 1) existing staff and resources not currently being used to capacity; 2) existing staff and resources currently being used in another program; 3) authorized, but vacant, staff positions, including those positions that would need to be reclassified; 4) funds that, otherwise, would be reverted; or 5) new appropriations.

Based on the 1/11/00 State Manning Table, the Department of Education has 367 authorized positions of

which 94 are currently vacant. Ultimately, the source of funds and resources required to satisfy the requirements of this bill would depend upon legislative and administrative actions.

#### *GRANT PROGRAM*

This bill does not make an appropriation for the grant program. However, it requires monies appropriated under current law for alternative education programs to be used for educational programs for expelled students at a maximum of \$750 per student.

For FY 2000-01, \$7.5 M was appropriated to the Department of Education by P.L. 273-1999 for alternative education programs. This bill would require that the Department of Education begin providing grants for educational programs for expelled students from this appropriation for school year 2001.

Currently, school corporations are awarded \$750 per full-time equivalent student (the maximum) for alternative education programs. It is likely that the Department of Education would be required to scale back this amount in order to fund the educational grant program for expelled students.

Expelled students already receiving an alternative education experience would not be counted by the school corporation for an educational grant in accordance with this bill.

(2) This provision of the bill could result in a minimal increase in administrative time and cost for institutions of higher education. The specific effects are currently indeterminable, would vary from institution to institution, and depend upon the number of court requests for school records of students alleged to be or adjudicated as a juvenile delinquent, or charged with or convicted of an offense.

#### **Explanation of State Revenues:**

**Explanation of Local Expenditures:** (Revised) (2) This provision of the bill could result in a minimal increase in administrative time and cost for school corporations. The specific effects are currently indeterminable, would vary from school corporation to school corporation, and would depend upon the number of court requests for school records of students alleged to be or adjudicated as a juvenile delinquent, or charged with or convicted of an offense.

In addition, school corporations could experience similar increases regarding the dissemination of delinquency adjudication and conviction information made available by the county office of Family and Children. The specific effects are currently indeterminable, would vary from school corporation to school corporation, and would depend upon local action.

This provision of the bill would result in a minimal increase in administrative time and cost for trial courts concerning notification requirements to public and nonpublic schools. In addition, counties could experience similar increases regarding the reporting of delinquency adjudication and conviction information to schools upon request. The specific effects are currently indeterminable, would vary from county to county, and would depend upon the number of school requests for “statement of fact” information.

In CY 1998, 25,563 juvenile delinquency cases were filed in Indiana courts of record.

**Explanation of Local Revenues:** (Revised) (1) Currently there are approximately 300 alternative education programs conducted by 125 school corporations in Indiana. This bill would require that all school

corporations provide some sort of alternative education to students who receive expulsions.

All 294 school corporations would be eligible for grants regarding educational programs for expelled students at a maximum of \$750 per student. School corporations would be able to defray their increases in administrative time and cost regarding the provisions of this bill with these grants. However, the specific effects would depend upon the following: 1) future appropriations for alternative education programs; 2) grant amounts determined by the Department of Education for both alternative education programs and educational programs for expelled students; and 3) the number of expelled students who are already receiving an alternative education.

School corporations could experience a decrease in revenues relating to existing alternative education programs due to the Department of Education scaling back the current alternative education grant amount.

The specific effects of this bill are currently indeterminable and would vary from school corporation.

#### *ADM COUNTS*

School corporations would be allowed to include expelled students in their average daily membership (ADM) count taken in September of each year and finalized in December for the purposes of the school funding formula. However, since students would need to be expelled before the count date on or about September 20 of a new school year, it is not likely that suspensions would be of a significant number.

Regardless -as is true under current law- school corporations would be able to keep dollars generated by the school funding formula for students expelled after the September count date.

#### *EXPULSION BACKGROUND*

For school years 1996 through 1998, respectively, the number of expulsions was 8,982, 9,340, and 10,241.

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

**Local Agencies Affected:** School Corporations; Trial Courts.

**Information Sources:** DOE ORACLE Data Tables and SAS Data Sets; 1/11/00 State Manning Table; 1998 Indiana Judicial Report, Volume I, p.47.