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FISCAL IMPACT STATEMENT

LS 7004

BILL NUMBER: HB 1243

NOTE PREPARED: Mar 12, 2024

BILL AMENDED: Mar 8, 2024

SUBJECT: Various Education Matters.

FIRST AUTHOR: Rep. Behning

FIRST SPONSOR: Sen. Raatz

BILL STATUS: Enrolled

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: *Changes in Education Law:* This bill makes various changes to the education law concerning the following:

- (1) Indiana diploma requirements and designations and satisfying certain course requirements by obtaining a diploma.
- (2) The criteria to receive a waiver from postsecondary readiness competency requirements.
- (3) The minimum number of alternate diplomas that may be counted in determining a school's or school corporation's graduation rate.
- (4) Use of the terms "statewide assessment program" and "statewide summative assessment".
- (5) The responsibilities of the State Advisory Council on the Education of Children with Disabilities.
- (6) The criteria an individual must meet to participate in the Indiana High School Equivalency Diploma Program.

It also requires the following:

- (1) Each public high school to offer, after June 30, 2028, at least once each school year at least one computer science course as a separate subject in the public high school's curriculum.
- (2) The Department of Education (DOE), in revising and updating academic standards, to consider integrating:
 - (A) Computer science;
 - (B) Data literacy and data science;standards into a subject area being revised.
- (3) Beginning with the cohort of students who are expected to graduate from a public school or a state accredited nonpublic school in 2029, a student to successfully complete instruction on computer science as a separate subject before the student may graduate.

- (4) Each public school to participate in an annual statewide survey concerning school fees charged to students or parents to be eligible to receive a distribution from the Curricular Materials Fund.
- (5) The DOE to develop proposals to align diploma waiver statutes with new diploma requirements.
- (6) Charter schools to post certain information.

The bill also provides that the State Board of Education (SBOE) may allow a computer science course to satisfy one or more diploma course requirements.

Teacher Compensation: The bill establishes notice and posting requirements regarding school corporations that fail to meet:

- (1) Certain expenditure requirements regarding full-time teacher salaries; or
- (2) The percentage of state tuition support that must be expended on teacher compensation.

The bill also removes provisions regarding the application and waiver of requirements concerning:

- (1) Certain expenditure requirements regarding full-time teacher salaries; and
- (2) The percentage of state tuition support that must be used for teacher compensation.

The bill also provides that the amount a school corporation expends on teacher compensation shall also include amounts the school corporation expends on certain dropout recovery education services. It provides that state tuition support for certain virtual students is not included in determining the amount a school corporation expends on teacher compensation. The bill establishes certain restrictions and requirements regarding visiting teacher licenses. It requires the governing body of each school corporation to have a policy regarding the participation of habitually truant students in extracurricular and co-curricular activities.

Expired Statute: This bill removes provisions that have expired concerning high school graduation requirements and graduation waivers.

Commission for Higher Education (CHE): The bill removes language concerning the disqualification of certain students for state scholarships, grants, or assistance administered by the Commission for Higher Education (CHE) and provides that a student may not receive or use any state scholarships, grants, or assistance administered by CHE for certain noncredit-bearing, nondegree seeking courses.

High School Equivalency Pilot Program: This bill amends the expiration date for the High School Equivalency Pilot Program to June 30, 2026. (The current expiration date is June 30, 2024.)

Email: The bill allows school corporations to provide certain notices regarding expulsion meetings by electronic mail.

Personal Financial Responsibility: This bill provides each school corporation, charter school, and state accredited nonpublic school shall include in its curriculum for students enrolled in grade 8, 9, 10, 11, or 12 (instead of all high school students) instruction concerning personal financial responsibility.

Literacy: The bill provides that a Literacy Achievement Grant is not subject to collective bargaining. It defines "literacy coach" and requires literacy coaches to prioritize certain duties. The bill also provides for the availability of certain grants for literacy coaches. It requires DOE and CHE, in conjunction with SBOE, to partner with teacher preparation programs to receive an outside evaluation of teacher preparation reading instruction programs. It amends the requirements to receive a literacy endorsement.

Internet Safety: This bill provides that a school corporation may include instruction regarding Internet safety in the school corporation's curriculum. It requires DOE to approve previously developed age appropriate curricula concerning Internet safety not later than July 1, 2025.

Data Governance Team: The bill requires the Office of Management and Budget to establish a Kindergarten Through Grade 12 Data Governance Team. It establishes the duties of the Data Governance Team, including the submission of a report to the Legislative Council.

Mathematics: This bill requires, not later than July 1, 2024, DOE to:

- (1) Establish an online, self-paced professional development module with regard to mathematics;
- (2) Develop math descriptions correlated to proficiency level descriptors to track proficiency at the student level;
- (3) Create and identify dedicated math resources to assist with intervention and enrichment opportunities and instructional strategies; and
- (4) Post the resources on DOE's website.

The bill also requires, not later than December 1, 2024, DOE to submit a plan to the Legislative Council that includes:

- (1) Strategies for the early identification of students who are at risk of not meeting grade level proficiency in mathematics; and
- (2) Recommendations for high quality intervention policies for mathematics.

It requires DOE to develop guidelines regarding the use of curriculum or content that prepares elementary school teacher candidates in math instruction.

High School: The bill provides that a student's latest statewide assessment program test results are included on the student's transcript upon request of the student. It provides that successful completion of an International Baccalaureate diploma program course (course) shall count for high school credit. It also provides that any rule adopted by SBOE or DOE concerning certain diplomas must provide that successful completion of a course is credited toward fulfilling the requirements of certain diplomas. This bill provides that high school students who have taken a course examination and received a score of four or higher on the examination are entitled to postsecondary academic credit at state educational institutions under certain conditions.

Effective Date: Upon passage; June 29, 2024; July 1, 2024.

Explanation of State Expenditures: *Teacher Preparation Program Evaluation:* This bill requires the Department of Education (DOE), the Commission for Higher Education (CHE), and State Board of Education (SBOE) to partner with a nationally recognized nonprofit to evaluate teacher preparation reading instruction programs. Dependent on the structure and extent of this partnership, these provisions may represent a workload [and/or expenditure] impact on the agencies outside of their routine administrative functions, and existing staffing and resource levels, if currently being used to capacity, may be insufficient for full implementation. The additional funds and resources required could be supplied through existing staff and resources currently being used in another program or with new appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend on legislative and administrative actions.

Data Governance Team: Provisions in the bill require the Office of Management and Budget (OMB) to

establish a Kindergarten Through Grade 12 Data Governance Team (Data Governance Team) and prepare a report by November 1, 2024. These provisions expire in FY 2026 and represent a short-term workload increase for OMB and any other state agencies OMB includes on the team. Dependent on the extent that the recommendations submitted by the Data Governance Team reduce, eliminate, or streamline data collections, the administrative workload for impacted state agencies would be reduced.

DOE: The following provisions would increase the workload and/or expenditures for DOE:

- (1) DOE will establish the Indiana Diploma that will replace diplomas currently in use;
- (2) DOE will develop curriculum guidelines for accredited teacher preparation programs regarding how the programs should prepare elementary teacher candidates to teach certain math concepts;
- (3) DOE will establish an online professional development module to provide certain math supports for teachers;
- (4) DOE will develop math descriptions to track proficiency at the student level;
- (5) DOE will create, identify, and post onto their website certain math resources for parents, families, and educators before FY 2025;
- (6) DOE will prepare a plan by December 1, 2024 concerning strategies for the early identification of students at risk of not meeting grade level math proficiency and recommended math interventions;
- (7) DOE will conduct a survey regarding the fees public schools charge to students; and
- (8) DOE to develop or approve age-appropriate curricula on certain internet safety topics by FY 2026.

Other provisions in the bill remove a requirement for schools unable to meet minimum teacher compensation or funding floor thresholds to apply for a waiver from DOE. This represents a minor offsetting workload decrease for DOE.

High School Equivalency Pilot Program: The High School Equivalency (HSE) Pilot Program is currently set to expire at the end of FY 2024. This bill extends the HSE Pilot Program for an additional two years. This represents a minor workload increase for DWD related to administrative oversight of the program and to facilitate annual reporting requirements.

State Advisory Council on the Education of Children with Disabilities (State Advisory Council): The bill will reduce the workload for the state advisory council by no longer requiring the state advisory council to recommend whether completed comprehensive plans for special education students should be approved or rejected.

State Educational Institutions (SEIs): SEIs that have teacher preparation programs will be required to adhere to the curricula developed by DOE regarding the preparation of teacher candidate students in the instruction of certain math concepts. This is a minor workload increase for SEIs.

This bill also awards high school students who score a four or higher on the International Baccalaureate exam with postsecondary credit at an SEI. To the extent that this allows students to enroll in fewer classes at an SEI, enrollment may decrease. State operating support for SEIs is composed of base funding and outcomes-based performance funding. Enrollment decreases could impact the funding SEIs receive from the performance funding formula in future bienniums. The impact is probably minor and would depend on the funding formula used in the future and the number of postsecondary credits awarded to International Baccalaureate students. [SEIs receive state funding through General Fund appropriations.]

CHE: The bill prohibits students pursuing noncredit-bearing, nondegree seeking courses from receiving

scholarships, grants, or assistance money from CHE. To the extent that this reduces the amount of scholarships awarded by CHE, this provision represents an expenditure decrease.

Additional Information – Teacher Preparation Program Evaluation: The National Council on Teacher Quality (NCTQ) is a nonprofit, nonpartisan organization that currently produces a report assessing the extent that teacher preparation programs nationwide provide their students instruction based on the science of reading. Workload and/or expenditure impacts related to the partnership between DOE, CHE, SBOE, and a nonprofit organization may be reduced if NCTQ's assessments on Indiana teacher preparation programs can be used.

Indiana Diploma: Beginning with the 2029 graduation cohort, provisions in the bill establish the Indiana Diploma that will replace diplomas currently in use. The Indiana Diploma must include a requirement for students to successfully complete a computer science course to graduate. DOE is also required to develop certain proposals to align diploma waiver statutes with any new diploma requirements by November 1, 2026, and the department must also consider integrating computer science, data literacy, and data science into certain academic standards. These provisions represent a workload increase for the State Board of Education and DOE to revise current graduation policies. The bill also represents a minor workload increase for CHE and SEIs who will provide input.

Internet Safety: DOE was required to develop guidelines for the development and teaching of internet safety curricula under Public Law 119-2008, which remained in effect until it was repealed in 2015. Although this bill's requirements are more specific, foundational elements of curricula developed under P.L.119-2008 should be applicable to this bill's requirements. Additionally, the Cybersecurity for Education Toolkit developed by the Indiana Executive Council on Cybersecurity could have resources helpful in developing curricula.

Explanation of State Revenues: *Eligible Testing Center:* Students attempting the high school equivalency (HSE) exam may be required to pay a testing fee of up to \$120 and may pay \$10 for optional tests or readiness assessments. Beginning in FY 2025, provisions in this bill could increase the number of tests taken at eligible testing centers. SEIs that are considered eligible testing centers will experience a revenue increase to the extent that they administer additional HSE exams.

SEI Enrollment: Provisions in the bill may decrease SEI enrollment. To the extent that enrollment decreases, SEIs revenue may decrease. [*See Explanation of State Expenditures.*]

Explanation of Local Expenditures: The following provisions may increase the workload and/or expenditures of public schools dependent on state and local action:

- (1) A requirement to adhere to new graduating requirements;
- (2) A requirement for public schools to complete and submit to DOE a survey regarding the fees they charge to students;
- (3) A two-year extension for the HSE Pilot Program;
- (4) A requirement for charter schools to post onto their website if there is a relationship between the owner of the charter school building and the charter school's organizer, owner, or operator;
- (5) A change in statute requiring schools to use the Science of Reading Grant to pay for literacy coaches instead of instructional coaches; and
- (6) Authorizing, but not requiring, the addition of internet safety instruction into a school corporation's curriculum.

Other provisions in the bill may partially offset workload or expenditure increases for school corporations including:

- (1) School corporations are no longer required to apply for a waiver from DOE if they do not meet minimum teacher compensation or funding floor requirements;
- (2) School corporations may inform students and parents of their right to attend an expulsion meeting through email in certain situations; and
- (3) The establishment of the Data Governance Team that may streamline or eliminate public school data and information requests.

Additional Information - Graduation Requirements: Current statute requires high school students beginning with the 2028 graduation cohort to receive instruction in personal financial responsibility. This bill allows students to fulfill this graduation requirement if they receive instruction in personal financial responsibility in the 8th grade. To the extent this occurs, public schools may have a short-term workload increase to shift when and how this curriculum is taught.

Public schools may also need to adjust the amount of time spent on other areas of instruction and making changes to curricula to be compliant with new graduating requirements for the 2029 graduating cohort, including a requirement to offer at least one computer science course per year by FY 2029. Schools that do not currently offer a computer science course or that do not currently have the capacity to offer a computer science course to an entire graduation cohort may also increase expenditures related to hiring additional instructors or purchasing computers and programming licenses. Schools who hire additional instructors are estimated to increase salary and fringe benefit expenditures by about \$72,000 per teacher. [This does not account for health insurance costs.] From 2021 to 2023, 375 out of 450 public high schools taught a computer science course.

HSE Pilot Program: The HSE Pilot Program is extended through FY 2026. Under the program, participating school corporations fund all costs associated with the pilot program out of state tuition support for the students in the program and other sources of revenue outlined in the bill such as any gifts, donations, bequests, federal and private grants, and other funds. Annual costs for the school corporations currently participating in the program ranged from \$410 to \$2,250 per student in FY 2021 and FY 2022. This program is limited to Richmond Community Schools, MSD Washington Township Schools, and MSD Warren Township Schools. Participating school corporations are required to submit a report regarding the program to the General Assembly no later than July 1 of each year.

Literacy Coach: Schools are required to use funds received from the Science of Reading Grant to pay for instructional coaches. Provisions in this bill replace instructional coaches with literacy coaches who:

- (1) Have a primary responsibility to provide literacy training and support to administrators and teachers; and
- (2) Beginning in FY 2028, have a literacy endorsement.

If existing instructional coaches employed by a school do not meet these qualifications, certain schools may be required to hire new instructional coaches. The cost of an instructional coach could be approximately \$72,000 annually.

Explanation of Local Revenues: Eligible Testing Center: Public schools that are considered eligible testing centers will experience a revenue increase to the extent that they administer additional HSE exams. [See *Explanation of State Revenues* for more information.]

Survey of Student Fees: Public schools who do not complete and submit to DOE a survey regarding the fees

they charge students would not be eligible to receive curricular material reimbursement. This represents a potential revenue decrease for impacted public schools. Dependent on DOE actions, these funds may shift to other public schools and accredited nonpublic schools who are eligible for reimbursement. [\$160 M was annually appropriated to the Curricular Material Reimbursement Fund for the FY 2024-FY2025 biennium in HEA 1001-2023.]

State Agencies Affected: Department of Workforce Development; Department of Education; Commission for Higher Education; State Board of Education; State educational institutions; State Advisory Council on the Education of Children with Disabilities; Office of Management and Budget

Local Agencies Affected: Public schools.

Information Sources: Department of Education; LSA Education Database.

State Budget Agency, <https://www.in.gov/sba/files/Operating-Budget-Instructions-FY24-and-FY25.pdf>;

National Council on Teacher Quality,
<https://www.nctq.org/publications/Teacher-Prep-Review:-Strengthening-Elementary-Reading-Instruction>

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