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H.B. 348
135th General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsors: Reps. Seitz and Isaacsohn

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SUMMARY

- Establishes a pilot program to provide cash incentives for kindergarten and ninth grade students who maintain high attendance rates in fiscal years 2024 and 2025.
- Establishes the Graduation Incentive Pilot Program providing financial awards to eligible students upon graduation from a selected high school in a qualifying school district for fiscal years 2024 and 2025.
- Appropriates \$250,000 in FY 2024 and \$500,000 in FY 2025 to fund each pilot program.

DETAILED ANALYSIS

Incentive for attendance and graduation

The bill establishes two pilot programs for fiscal years 2024 and 2025 to increase student attendance and graduation. First, it establishes a program to provide cash transfers for kindergarten and ninth grade students who maintain high attendance rates. It also establishes the Graduation Incentive Pilot Program to provide financial awards to certain high school graduates. The bill specifies that any records of the pilot programs that include individual student data are not public records.¹ Finally, the bill appropriates \$250,000 in FY 2024 and \$500,000 in FY 2025 to each.²

Attendance Incentive Pilot Program

The bill requires the Department of Education and Workforce to administer a pilot program for fiscal years 2024 and 2025 that provides cash transfers as incentives for

¹ Sections 1(H) and 2(E).

² Section 3.

kindergarten and ninth grade students to maintain high attendance rates.³ Transfers for a kindergartener are payable to the student's parent or guardian, while transfers for a ninth grader are jointly payable to the student and the student's parent or guardian.⁴

Eligible schools

Each interested city, local, and exempted village school district may apply to participate in the pilot program by submitting an application that indicates up to two districts schools that the district seeks to enroll. Interested districts may indicate which of the incentive distribution methods discussed below would be the most effective for the school's student population.⁵

Participating schools

The Department must select at least one rural school district and one urban school district to participate in the pilot program. Each school the Department selects to participate must have chronic absenteeism in the highest quartile in the state based on the most recent state report card ratings.⁶

Each participating school must provide a list of its kindergarten and ninth grade students and their parents or guardians to the Department.⁷

Incentive or control group

The bill requires the Department to select participating schools to receive cash transfer incentives and participants in the control group in one of two manners:

1. For each participating school, randomly select 50% of kindergarten parents and guardians and 50% of ninth grade students to receive cash transfer incentives. The other 50% of either parents and guardians or students serves as the control group; or
2. Compare applicant school districts and select similar schools to participate in the pilot program before randomly assigning half of the participating schools to the cash transfer incentive group and half to the control group.⁸

Distribution methods

The Department must test cash transfer distribution methods on participating schools for students with a 90% or higher attendance rate, including:

1. Biweekly transfers of \$25 for students with that rate during the two-week period;
2. Quarterly transfers of \$150 for students with that rate during the quarter; and

³ Section 1(A).

⁴ Section 1(F).

⁵ Section 1(B).

⁶ Section 1(C).

⁷ Section 1(D).

⁸ Section 1(E).

3. Annual transfers of \$500 for students with that rate during the school year.

Distribution method	Cash transfer amount
Biweekly	\$25
Quarterly	\$150
Annual	\$500

The bill specifies that a cash transfer for a kindergarten student is made to the student's parent or guardian. For a ninth grade student, a cash transfer is payable jointly to the student and the student's parent or guardian. The bill requires that the Department spend the same total amount in cash transfers for each distribution method tested.⁹

Reporting requirements

Each participating school must submit reports to the Department, including:

1. The participating students in the incentivized and the control group;
2. The attendance rates of the participating students from the year preceding the start of the pilot program; and
3. The attendance rates of the participating students for each month of the pilot program.¹⁰

Graduation Incentive Pilot Program

The bill establishes the Graduation Incentive Pilot Program within the Department of Education and Workforce to provide financial awards to eligible students upon graduation from a selected high school in a qualifying school district for fiscal years 2024 and 2025.¹¹

Qualifying school district

A "qualifying school district" is any city, exempted village, or local school district that receives federal Title I funding for the Elementary and Secondary Education Act of 1965 and is ranked in the lowest 20% of school districts according to the four-year adjusted cohort graduation rate.¹²

Application procedures

The bill requires the Department to determine application procedures. The procedures must permit a qualifying school district to apply for up to two of its schools to participate in the

⁹ Section 1(F).

¹⁰ Section 1(G).

¹¹ Section 2(B)(1).

¹² Section 2(A).

pilot program. Under the procedures, the Department also must select at least one qualifying school district located in a rural area and at least one qualifying school district located in an urban area.¹³

Award distribution amounts

The bill establishes award amounts as follows:

1. \$250 for each student who graduates from a qualifying high school;
2. An additional amount of up to \$250, for a total amount of \$500, for a graduating student with a grade point average (GPA) of 3.0 or higher;
3. An additional amount of up to \$500, for a total award amount of \$750, for a graduating student with a GPA of 3.5 or higher.¹⁴

Reporting requirements

Each participating school district must submit to the Department:

1. The number of students participating in the pilot program;
2. The graduation rate for each school in the qualifying school district in the three years preceding the start of the pilot program and after it is implemented; and
3. The GPAs of the graduating seniors in the three years preceding the start of the pilot program compared to the GPAs of students after it is implemented.¹⁵

HISTORY

Action	Date
Introduced	12-04-23

ANHB0348IN-135/ts

¹³ Section 2(B)(2).

¹⁴ Section 2(C).

¹⁵ Section 2(D).