

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

301 State House
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FISCAL IMPACT STATEMENT

LS 7790
BILL NUMBER: HB 1890

DATE PREPARED: Jan 21, 1999
BILL AMENDED:

SUBJECT: Alternative education.

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FUNDS AFFECTED: GENERAL
DEDICATED
FEDERAL

IMPACT: State

STATE IMPACT	FY 1999	FY 2000	FY 2001
State Revenues			
State Expenditures		40,000,000	40,000,000
Net Increase (Decrease)		(40,000,000)	(40,000,000)

Summary of Legislation: This bill makes certain changes concerning the state alternative education program grants.

- (A) It extends the grant to include students in kindergarten through grade 5.
- (B) It includes the grant amount within calculations for the limitation on the amount of tuition support.
- (C) It changes the amount of the grant to \$1,000 for each full-time equivalent student in an alternative education program and eliminates the local match requirement.
- (D) It provides that grant money may be used for alternative education programs or for the addition or retention of elementary or secondary school counselors.
- (E) It allows a school corporation to use local funds for alternative education programs.
- (F) It appropriates \$80,000,000 in the 1999-2001 biennium for the grant program.

Effective Date: July 1, 1999.

Explanation of State Expenditures: Provision A would increase the number of children who would be eligible to attend an alternative school by extending the eligible grades from kindergarten to fifth grade. Currently, students can only be enrolled in alternative schools if they are in grades 6 through 12. The Department of Education reports that for the 1998-99 school year, 124 school corporations report operating 234 alternative programs with an estimated FTE f of 9,184.

Provision B specifies that if the total amounts that are distributed for tuition support, enrollment adjustment grants, the at risk program, academic honors diploma awards, special and vocational education and alternative education programs exceeds the amounts that have been appropriated, then proportionate reductions would be made in the state tuition support

Provision C would increase the grant amounts that school corporations would receive from the Department of Education from the current \$750 to \$1,000. This provision would increase by 25% the amount that school corporations would receive for alternative school grants per student.

Provision F appropriates \$40 million for each fiscal year of the 1999-2001 biennium.

Explanation of State Revenues:

Explanation of Local Expenditures: Provision C would eliminate the local match of \$250 that school corporations have to provide when they apply for the state grant for alternative schools. Provision E would allow school corporations to use revenues raised from local sources to provide alternative education programs. Consequently, school corporations would not be limited to using only state funding to fund alternative schools in their corporation.

Explanation of Local Revenues:

State Agencies Affected: Department of Education

Local Agencies Affected: School corporations

Information Sources: DOE databases, Barbara Lucas, Department of Education.