

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

301 State House
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FISCAL IMPACT STATEMENT

LS 6869

BILL NUMBER: HB 1279

DATE PREPARED: Feb 24, 2000

BILL AMENDED: Feb 22, 2000

SUBJECT: CLEO Program; ADR Pilot Project.

FISCAL ANALYST: Susan Preble

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**FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL**

IMPACT: State & Local

Summary of Legislation: (Amended) This bill amends the law concerning the Indiana Conference for Legal Education Opportunity (CLEO) law to: (1) require the program to provide financial assistance in the form of an annual stipend instead of an annual living expense stipend; (2) allow the Advisory Committee to waive the requirement that a certified graduate must enroll on a full-time basis; and (3) allow the Advisory Committee to approve the award of a stipend to a student for more than three successive academic years if the student requires more than three successive academic years to earn a law degree and the total amount of the stipend that is awarded to the student does not exceed the amount the student would have been awarded if the student had been enrolled on a full-time basis for up to three successive academic years.

It also extends the Alternative Dispute Resolution Fund Pilot Project and the imposition of related court fees for two additional years.

Effective Date: June 1, 2000; July 1, 2000.

Explanation of State Expenditures: (Revised) This bill allows the CLEO Advisory Committee to waive the requirement that students in the CLEO Program be enrolled full-time. It also allows the Advisory Committee to approve a stipend for a CLEO student for more than three successive years, as long as the student needs more than three years to complete law school, and the total amount of the stipend does not exceed the amount the student would have received if enrolled full-time for three successive years.

The CLEO program was established by P.L.202-1997, SEC. 3, which required that beginning on July 1, 1999 and every year thereafter, \$550,000 be appropriated from the State General Fund to the Division of State Court Administration. As amended by P.L.-196-1999, SEC. 2, the current statute limits the annual amount appropriated to \$625,000.

The CLEO Program was established to increase the number of minority, low-income, or educationally

disadvantaged students in Indiana's law schools. The CLEO Program is the first state program of its kind in the nation. It is modeled after the national CLEO Program. Since the Indiana General Assembly established Indiana's CLEO Program in 1997, Georgia has enacted a CLEO program, and Illinois and Kentucky are considering enacting CLEO programs. In Indiana, CLEO has funded three classes of students. Currently, 77 students funded by CLEO are enrolled in the four law schools statewide. The first CLEO group will graduate from law schools in May of the year 2000.

Explanation of State Revenues:

Explanation of Local Expenditures: According to a report authored by a clinical social worker and four judicial officers of the Allen County circuit and superior courts, the Alternative Dispute Resolution Fund Pilot Project has resulted in the following: increased referrals to mediation; a reduction in time for hearings of dissolution cases; the provision of funding for families who could not have otherwise utilized mediation services; and a positive change in the culture of the Allen County Bar regarding domestic relations mediation.

The time period between filing and a decree have significantly decreased since the inception of the project in both courts. The total funds collected by both courts for the Project through October of 1999 totaled \$54,918. To date, 57% of these funds have been spent. The breakdown of the expenditures is as follows: mediation training (18%), facilitator in circuit court (13%), mediation fees (12%), and research consultant (10%).

Explanation of Local Revenues: This bill extends the Alternative Dispute Resolution Fund Pilot Project and the imposition of court-related fees to fund the Project for two additional years. In 1997, the General Assembly enacted HEA 1092 which allows courts to refer to mediation actions for dissolution of marriage, separation, maintenance, child custody, visitation support, property disposition and other family law actions. It allows the fee for dissolution actions in the Allen circuit and superior courts to be raised from \$100 to \$120. The revenue from the additional \$20 is deposited into the Alternative Dispute Resolution Fund, administered by the court, and used to foster mediation, reconciliation, parental counseling and other forms of alternative dispute resolution. It also requires litigants referred to services covered by the Alternative Dispute Resolution Fund to make a copayment for the services in an amount determined by the court.

In 1999, the 1,578 actions for dissolutions of marriage that were filed in the Allen County circuit and superior courts generated \$31,560 in revenue for the Alternative Dispute Resolution Fund [1,578 x \$20].

State Agencies Affected:

Local Agencies Affected: Allen County circuit and superior courts

Information Sources: 1998 Indiana Judicial Report, Vol. II, p. 55; Jennifer Bauer, Staff Attorney, Indiana Judicial Center, 232-1313; Allen County Circuit Court; *Report on the Study of the Allen County Family Relations Alternative Dispute Resolution Plan*, submitted to the Board of Directors of the Indiana Judicial Conference on December 9, 1999.