

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

301 State House
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FISCAL IMPACT STATEMENT

LS 6427
BILL NUMBER: SB 246

DATE PREPARED: Feb 22, 2000
BILL AMENDED: Feb 21, 2000

SUBJECT: Academic honors diploma awards.

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FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

STATE IMPACT	FY 2000	FY 2001	FY 2002
State Revenues			
State Expenditures		2,450,000	
Net Increase (Decrease)		(2,450,000)	

Summary of Legislation: (Amended) (1) This bill provides a \$500 state honors scholarship to pupils who have successfully completed an academic honors diploma program, have a SAT score of at least 1200, have a cumulative grade point average of at least 3.5 on a 4.0 grading scale, and do not have a grade below a C in any course required to obtain an honors diploma.

(2) It allows a school corporation to give \$500 of the \$925 received by the corporation as an academic honors diploma award to pupils eligible for the state honors scholarship. It includes a transitional provision that allows a school corporation to make awards that have been promised to students currently in high school.

Effective Date: (Amended) Upon Passage; July 1, 2000.

Explanation of State Expenditures: (Revised) (1) This bill appropriates \$2,450,000 from 1999 State General Fund Tuition Support reversions to provide honors diploma scholarships from July 1, 2000 to June 30, 2001. It is estimated that approximately 4,900 students would receive scholarships during this period.

In future years, award amounts would be subject to the availability of funds appropriated.

The State Student Assistance Commission (the Commission) would likely experience an increase in

administrative time and cost determining eligibility for scholarships, collecting and storing necessary information such as SAT scores, and modifying existing computer systems. The specific effects are currently indeterminable.

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 02/01/2000 State Manning Table, the Commission has 28 authorized positions of which 12 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.

(2) The Department of Education would not be required to alter its administrative duties with regards to the provisions of this bill, nor would the amount of money it distributes to school corporations change.

Explanation of State Revenues:

Explanation of Local Expenditures: (Revised) (2) School corporations would incur no additional administrative time or cost regarding the provisions of this bill, and would be allowed to award up to only \$500 of the \$925 received as an academic honors diploma award to students eligible for the state honors scholarship.

Any impact on school expenditures would vary from school corporation to school corporation, and would depend upon local action.

Background

P.L. 273-1999 increased the academic honors diploma grant from \$800 to \$925 effective January 1, 2000. During the 1997-1998 school year, approximately 11,000 students successfully completed an academic honors diploma program, for a total of \$8.8 M awarded to 291 Indiana school corporations for CY 1999. During the 1998-1999 school year, approximately 12,000 students are projected to successfully complete this program, resulting in an estimated \$11.1 M in awards to be distributed during CY 2000.

The number of school corporations that awarded grants directly to eligible students in CY 1999 is currently unknown. However, a survey of Indiana school corporations conducted by Legislative Services Agency indicates that 15 out of 60 responding school corporations (25%) distributed awards to eligible students in CY 1998.

Honors diploma grant monies are contained within the state tuition support distribution. For FY 1999-2000 and for FY 2000-2001, respectively, \$3,010,350,000 and \$3,232,750,000 was appropriated for total state tuition support.

Explanation of Local Revenues:

State Agencies Affected: Department of Education, State Student Assistance Commission.

Local Agencies Affected: School corporations.

Information Sources: Dennis Obergfell, State Student Assistance Commission, (317) 232-2350; DOE SAS Data Sets; State of Indiana List of Appropriations (Biennium July 1, 1999 to June 30, 2001).