

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

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6787

BILL NUMBER: SB 259

DATE PREPARED: Dec 22, 1999

BILL AMENDED:

SUBJECT: Selective Service registration.

FISCAL ANALYST: Susan Preble

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FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides that an individual who is required by federal law to register with the Selective Service System but who fails to do so: (1) may not be employed by a state agency or an agency of a political subdivision or, if already employed by the state or a political subdivision, may not be given increased compensation or a promotion; (2) may not be issued a driving permit or a driver's license; and (3) may not be admitted to a state university and may not be awarded financial aid derived from appropriations made by the General Assembly.

It requires state and local governments to determine whether an employee or an applicant for employment has satisfied the registration requirement. It requires the Bureau of Motor Vehicles to determine whether an applicant for a license or a permit has satisfied the registration requirement. It requires state universities to determine whether an applicant for admission has met the registration requirement.

Effective Date: July 1, 2000.

Explanation of State Expenditures: This bill requires that state entities ensure that individuals required to register with the Selective Service System are registered before offering employment, issuing operators licenses and learners permits, gaining admission to universities, and receiving financial aid appropriated by the General Assembly. It impacts the State Personnel Department, the Bureau of Motor Vehicles (BMV), all state universities and all political subdivisions.

The federal Selective Service System has a website where an individual's registration status can be determined. The Internet address is: www.sss.gov. Upon inputting an individual's last name, social security number, and date of birth, if the individual is registered with the Selective Service, the individual's registration number and date of registration will be provided. Registration status can only be confirmed for one individual at a time. It is not possible to process batches of individuals through the website. There are no records in the website database for individuals whose birth dates are prior to January 1, 1960. For these

individuals, written confirmation of registration status can be obtained through the website or by contacting the Selective Service at (847) 688-6888.

The bill requires that prior to extending an offer of employment to an applicant, the State must determine whether the applicant, if required, is registered with the Selective Service System. This determination must also be made prior to promoting a State employee. There are 35,603 active full-time State employees. The number of individuals who accept an offer of employment from the State is not known at this time. This fiscal note will be updated upon receipt of this information.

The bill prohibits the BMV from issuing a license or permit to an individual who is required to register with the Selective Service System and has failed to register. It requires the BMV to determine whether an applicant has registered, or is not required to register. In 1998, the BMV issued 1,339,529 operators licenses (includes originals, renewals, amendments and duplicates) and 68,377 learners permits.

The bill prohibits state educational institutions from admitting an individual who is required to register with the Selective Service System and who has failed to register. It requires state educational institutions to determine whether an applicant for enrollment has registered, or is not required to register. The Indiana Commission for Higher Education reports that 47,171 new undergraduates enrolled in state universities in the fall semester of 1998.

The bill also prohibits students in state educational institutions from receiving grants of financial aid if they are required to register with the Selective Service System and have failed to do so. It requires a person who is awarding financial aid (usually a financial aid officer employed by the state educational institution) to determine whether an individual applying for financial aid has registered, or is not required to register. Financial aid impacted includes the Higher Education Award Grant, Freedom of Choice Grant (for students attending private schools), 21st Century Scholar Grant, and the Part-time Grant. In the fall of 1998, 44,316 students were awarded a Higher Education Award Grant; 4,551 students were awarded a 21st Century Scholar Grant, and 3,948 students received a Part-time Grant. To apply for these state grants, students must first complete the *Free Application for Federal Student Aid (FAFSA)*. A male applicant must state on the *FAFSA* whether he is registered with the Selective Service. The federal processor which processes all *FAFSAs* then confirms the applicant's registration status with the Selective Service System.

Explanation of State Revenues:

Explanation of Local Expenditures: This bill requires that prior to extending an offer of employment to an applicant, political subdivisions must determine whether the applicant, if required, is registered with the Selective Service System. This determination must also be made prior to promoting an individual employed by a political subdivision. There are approximately 23,000 full-time county employees. There are 500 city and towns in Indiana, but the number of individuals employed by these municipalities is not known.

Explanation of Local Revenues:

State Agencies Affected: Department of State Personnel; state universities; Bureau of Motor Vehicles.

Local Agencies Affected: Political subdivisions which hire employees

Information Sources: Keith Beesley, Department of State Personnel, (317) 232-3062; Nick Vesper, State Student Assistance Commission of Indiana, (317) 232-2350; Mary Montelongo, Bureau of Motor Vehicles,

(317) 232-5882; Indiana Commission for Higher Education, (317) 464-4400; Tonya Galbraith, Indiana Association of Cities and Towns (317) 237-6200; Dave Bottorf, Association of Indiana Counties, (317) 684-3710.