

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

301 State House
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FISCAL IMPACT STATEMENT

LS 6909
BILL NUMBER: SB 391

DATE PREPARED: Dec 30, 1999
BILL AMENDED:

SUBJECT: Tuition exemptions for relatives of veterans.

FISCAL ANALYST: Mark Goodpaster
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FUNDS AFFECTED: **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill allows the child of a person whose mother or father: (1) served in the armed forces of the United States and received the Purple Heart or was wounded as a result of enemy action; or (2) served in the armed forces of the United States during any war or performed duty equally hazardous that was recognized by the award of a service or campaign medal and suffered a service connected death or disability; to receive a tuition exemption from a state college or university. It requires the child to be eligible to pay the resident tuition rate at the college or university the child will attend and possess the requisite academic qualifications to receive the tuition exemption. It limits to not more than 124 semester credit hours the aggregate amount of semester credit hours: (1) a person whose mother or father served in the armed forces of the United States; and (2) all the children of the person may enter, remain, and receive instruction in a college or university without the payment of any fees to the college or university.

Effective Date: July 1, 2000.

Explanation of State Expenditures: This bill would not increase expenditures, but it could require universities to spend additional funds on statutorily required fee remissions and less money on other discretionary expenditures. Since the overall graduation rate for baccalaureate students is 45% after six years, it is likely that most of these students qualifying for the Children of Veterans Fee Remission will not use the entire 124 hours to which they are entitled. Consequently, fee remissions could be extended to some children in future years.

The university's general fund absorbs the costs of fee remissions. Universities must provide statutory remissions first; the remainder of the money is discretionary. As statutory requirements increase, the level of discretionary dollars decreases.

The Department of Veterans Affairs currently certifies the number of students who qualify for this fee remission. This bill could increase record keeping in the future to document whether students would be

entitled to this fee remission. The Department reports no known figures on the number of persons who might qualify as grandchildren and receive fee remissions.

The following table shows the number of students in FY 1998 and FY 1999 whom state-supported institutions either report or estimate will receive fee remissions under the current Children of Disabled Veterans statute.

	1997-98 (actual)			1998-99 (estimated)		
	<u>awards</u>	<u>amount</u>	<u>avg. award</u>	<u>awards</u>	<u>amount</u>	<u>avg. award</u>
Ball State	489	\$1,046,915	\$2,141	495	\$1,120,199	\$2,263
Indiana State	218	\$400,609	\$1,838	225	\$430,000	\$1,911
Indiana University	4,261	\$2,995,787	\$703	4,608	\$3,181,193	\$690
Ivy Tech	1,592	\$1,188,493	\$747	1,765	\$1,317,975	\$747
Purdue University	814	\$1,840,935	\$2,262	854	\$1,941,800	\$2,274
University of Southern Indiana	209	\$249,728	\$1,195	209	\$251,137	\$1,202
Vincennes	<u>190</u>	<u>\$219,958</u>	<u>\$1,158</u>	<u>200</u>	<u>\$250,000</u>	<u>\$1,250</u>
Statewide Totals	7,773	\$7,942,425	\$1,022	8,356	\$8,492,304	\$1,016

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Higher Education Institutions

Local Agencies Affected:

Information Sources: Report on Degree Completion and Persistence in Indiana Public Postsecondary Education, 1990 Entering Freshmen, Commission for Higher Education; Bill Jackson, Department of Veterans Affairs; Table VIII of State Appropriation Requests for 1999-2001 for Indiana University, Ball State University, Indiana State University, Indiana University, Ivy Tech, Purdue University, University of Southern Indiana, Vincennes University.