

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

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6983
BILL NUMBER: SB 520

DATE PREPARED: Dec 29, 1999
BILL AMENDED:

SUBJECT: Excessive education grants.

FISCAL ANALYST: Chuck Mayfield
PHONE NUMBER: 232-4825

FUNDS AFFECTED: **GENERAL**
 DEDICATED
FEDERAL

IMPACT: State & Local

STATE IMPACT	FY 2000	FY 2001	FY 2002
State Revenues			
State Expenditures	550,432	3,302,593	
Net Increase (Decrease)	(550,432)	(3,302,593)	

LOCAL IMPACT	CY 2000	CY 2001	CY 2002
Local Revenues	2,201,729	1,651,296	
Local Expenditures			
Net Increase (Decrease)	2,201,729	1,651,296	

Summary of Legislation: This bill provides that a school corporation offering vocational education through the Greencastle Area 30 Career Center is not required to repay excessive vocational education grants or alternative education grants received before July 1, 1999.

Effective Date: Upon passage.

Explanation of State Expenditures: The Greencastle Area 30 Career Center offers the Academic Opportunities for Success, an alternative education program, for students from Cloverdale Community Schools, Greencastle Community Schools, South Putnam Community Schools, Eminence Community Schools, and North Putnam Community Schools. The Department of Education (DOE) has determined that

students enrolled in the program do not meet the qualifications for inclusion in the tuition support, ADA flat grant, vocational education, and alternative education programs. The students were included in the funding calculations for CY 1995 to CY 1999. DOE plans to recover the overpayments of tuition support, ADA flat grant, and vocational education grants for the period of CY 1995 to 1999 between May 2000 and June 2001, a 14-month period. DOE does not plan to recover alternative education program grants. The CY 2000 formulas have been corrected by DOE exclude the students in determining the ADM or vocational education grant for the schools. The following table shows the amount of the recovery for the years 1995-99.

School Corporations	CY 1995- 1999 Recovery
Eminence Community Schools	\$295,993
South Putnam Community Schools	\$879,765
North Putnam Community Schools	\$849,047
Cloverdale Community Schools	\$803,243
Greencastle Community Schools	\$1,024,977
Total	\$3,853,025

The non-recovery of CY 1995- 1999 expenditures along with the increase student count for CY 2000 would increase the state tuition support expenditures for FY 2000 and FY 2001. The increase in expenditures for FY 2000 is \$550,432, $(\$3,853,025 * 2/14)$, and the increase for FY 2001 is \$3,302,593, $(\$3,853,025 * 12/14)$.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: The increase in local revenue is from the non-reduction of schools tuition support for CY 2000 and CY 2001 and the increase student count for CY 2000. The local increase in revenue for CY 2000 is \$2,201,729, $(\$3,853,025 * 8/14)$, and \$1,651,297 $(\$3,853,025 * 6/14)$, for CY 2001.

State Agencies Affected: Department of Education.

Local Agencies Affected: Schools serviced by Area 30 Career Center.

Information Sources: Jeff Zaring Department of Education, (317) 232-6622.