

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

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7693

BILL NUMBER: HB 1582

NOTE PREPARED: Feb 28, 2005

BILL AMENDED:

SUBJECT: Foundations for Schools.

FIRST AUTHOR: Rep. Micon

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill allows school corporations to form educational foundations.

Effective Date: July 1, 2005.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: The bill would allow a school corporation to use the proceeds of a grant, gift, donation, endowment, bequest, trust, agreement, shared tax revenue received by a city or county under IC 4-33-12 (riverboat admission taxes) or IC 4-33-13 (riverboat wagering taxes), or other funds not generated from taxes levied by the school corporation to create an education foundation.

The foundation has to be a 501(c)(3) corporation and organized for the purposes of providing educational funds for scholarships, teacher education, and special programs for school corporations. If the foundation is terminated, then the donations are returned to the school corporation. The bill should have a positive fiscal impact on the revenue of schools. The impact would depend on the amount of proceeds donated to the foundation and interest earnings from the endowment.

State Agencies Affected:

Local Agencies Affected: Local Schools.

Information Sources:

Fiscal Analyst: Chuck Mayfield, 317-232-4825.