

**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 6954**

**BILL NUMBER:** HB 1173

**NOTE PREPARED:** Jan 30, 2006

**BILL AMENDED:**

**SUBJECT:** Lifelong Learning Matching Grant.

**FIRST AUTHOR:** Rep. Harris T

**FIRST SPONSOR:**

**BILL STATUS:** 2<sup>nd</sup> Reading - 1<sup>st</sup> House

**FUNDS AFFECTED:**    **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill establishes a pilot Lifelong Learning Matching Grant Program. It allows the Department of Workforce Development to award certain employees matching grants of up to \$500 to pay for eligible education expenses.

**Effective Date:** Upon passage; July 1, 2006.

**Explanation of State Expenditures:** The bill allocates \$300,000 from the Skills 2016 Training Fund for the pilot of the Lifelong Learning Matching Grant Program for the period of July 1, 2006, to June 30, 2008. The Department of Workforce Development can use up to \$100,000 for administration of the program including:

1. Developing the program;
2. Marketing the program; and
3. Conducting a study of the program. The study must include a fiscal analysis of the program and an assessment of the effectiveness of the program.

The grant is to match employer's and employee's expenditures for eligible educational expenditures. If the employee's adjusted gross income is less than \$30,000, then no employee contribution is required. The maximum award is \$500. The program would provide grants to about 400 employees over the two years.

Eligible education expenditures include tuition and fees and similar payments, books, supplies, equipment, and tools or supplies that may be retained by an employee after completion of a course of instruction.

*Background Information:* The balance in the Skills 2016 Training Fund as of June 30, 2005, was

approximately \$42.6 M. The Fund had expenditures of about \$9.5 M in FY 2004 and \$7.8 M in FY 2005.

The statutory purpose for the Skills 2016 Training Program is the following: (1) to improve manufacturing productivity levels in Indiana; (2) to enable firms to become competitive by making workers more productive through training; (3) to create a competitive economy by creating and retaining jobs; (4) to encourage the increased training necessary because of an aging workforce; (5) to avoid potential payment of unemployment compensation by providing workers with enhanced job skills.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of Workforce Development.

**Local Agencies Affected:**

**Information Sources:** Auditor of State appropriation and expenditures database.

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