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FISCAL IMPACT STATEMENT

LS 7628

BILL NUMBER: HB 1266

NOTE PREPARED: Mar 15, 2007

BILL AMENDED: Mar 15, 2007

SUBJECT: Twenty-First Century Scholarships.

FIRST AUTHOR: Rep. Avery

FIRST SPONSOR: Sen. Lubbers

BILL STATUS: As Passed House

FUNDS AFFECTED: ___ **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: (Amended) *Nonpublic:* This bill provides that a student who attends a nonpublic school accredited by certain national or regional accrediting agencies is eligible to be a Twenty-first Century Scholar. It provides that a student who during the 2005-2006 or 2006-2007 school year: (1) was in eighth grade in a nonpublic school accredited by a national accrediting agency recognized by the State Board of Education; and (2) met the other requirements to become an eligible student; must be given an opportunity to enroll in the program.

Foster Care: The bill provides that the caseworker for a student who is in foster care, or placed in a child caring institution, a group home, or the home of a relative or other unlicensed caretaker before or during grade 8 must inform the student about the Twenty-first Century Scholar Program and, if the student chooses to enroll in the program, sign the enrollment form in place of a parent or guardian.

The bill requires the State Student Assistance Commission to consider a student who is in foster care as a full-needs student.

Effective Date: July 1, 2007.

Explanation of State Expenditures: (Revised) *Nonpublic:* The bill could increase the state expenditures for the Twenty-First Century Scholar program. It is unknown how many students in a private school not accredited by the Department of Education but accredited by a national or regional accrediting agency might qualify for this program. The average Twenty-First Century scholarship is estimated to be about \$2,500 for FY 2008.

Foster Care: The bill could increase the number of students eligible for the Twenty-First Century Scholars Program. The impact would depend on the number of foster care students that may become eligible. The number of additional students would probably be small. For each 100 additional students that might qualify the increase in the Twenty-First Century Scholars grants would be about \$100,000 since they would also receive funds from the Frank O'Bannon grant program. The Twenty-First Century Scholars grants are subject to appropriation.

The requirement that the State Student Assistance Commission consider a student who is in foster care as a full-needs student could simplify the application process and reduce the Commission's administrative costs. The bill could increase the cost of the Frank O'Bannon Grant if the student qualifies for more aid. The increase would probably be minor and would be subject to appropriation.

Background: To be eligible to receive a Twenty-First Century Scholars grant the student has to meet the following requirements.

1. Be a resident of Indiana.
2. Be enrolled in the 8th grade at a public or accredited nonpublic school.
3. Be eligible for free or reduced priced lunch.
4. Agree in writing, together with the students's custodial parents or guardian that the student will:
 - a. Graduate from high school and meet the admission requirements to college.
 - b. Not illegally use a controlled substance.
 - c. Not commit a crime or infraction, crime, or delinquent act. .
 - d. When the eligible students is a senior in high apply:
 - i. To an institution of higher learning for admission.
 - ii. For any federal or state student financial assistance.
 - e. Achieve a cumulative grade point average upon graduation of at least 2.0.

As of January 10, 2007, there were about 2,361 foster care children. The 21st Century Scholarship provided about \$19.9 M in awards to 8,945 students, with an average award of \$2,228 for FY 2006.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: State Student Assistance Commission.

Local Agencies Affected:

Information Sources: State Student Assistance Commission budget documents.

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