

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6336

BILL NUMBER: HB 1049

NOTE PREPARED: Apr 6, 2008

BILL AMENDED: Feb 7, 2008

SUBJECT: Time Limit for Use of Higher Education Grants.

FIRST AUTHOR: Rep. Porter

FIRST SPONSOR: Sen. Lubbers

BILL STATUS: Enrolled

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill removes the time limit that provides that a student is eligible to receive financial aid grants for not more than ten years from the date a student first receives a grant. It makes corresponding changes to related statutes. The bill repeals a section concerning a time limit for the use of financial aid awards made to part-time students. It also voids a portion of a rule concerning the time limit for the use of financial aid awards. (The introduced version of this bill was prepared by the Interim Committee on Education Matters.)

Effective Date: July 1, 2008.

Explanation of State Expenditures: Under current state law a person granted assistance by the State Student Assistance Commission of Indiana (SSACI) is ineligible to receive assistance ten years after the initial award is granted. In 2007, SSACI had 9,097 students affected by the ten-year rule. Based on prior experience, about 2,250 students might use the award. Using an average grant cost of about \$3,100, the maximum annual cost could be about \$6.975 M. The grants awarded by SSACI are limited by available appropriations.

The impact would be different for full-time and part-time students. If the bill increased the number of students eligible for full-time awards, then the increase in the award from the prior year provided by SSACI might be less. If the bill increased the number of students eligible for part-time awards, then universities might have to reduce the dollar amount of the part-time grants. SSACI provides universities a set dollar amount for part-time students, and the university determines eligibility and the amount of the award.

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, Laurie Gavrin, 234-5134.

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