

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

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6889

BILL NUMBER: HB 1273

DATE PREPARED: Jan 2, 2000

BILL AMENDED:

SUBJECT: College scholarship program.

FISCAL ANALYST: Mark Goodpaster

PHONE NUMBER: 232-9852

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill establishes the Indiana Higher Education Scholarship Program to provide scholarships for full-time undergraduate study to certain Indiana residents who attend institutions of higher education in Indiana, including proprietary institutions.

Effective Date: July 1, 2000.

Explanation of State Expenditures: This bill contains no appropriations. To be eligible for the \$250 per semester award, a student must have been a resident of Indiana for at least two consecutive years before enrolling in college or a proprietary school, be a full time student, and have earned an academic honors diploma. *It is projected that this program would need \$4.3 M for FY 2001 and \$8 M for FY 2002.*

The added costs will depend on how many students graduate with an academic honors diploma and enroll in college or a proprietary school in Indiana. The State Student Assistance Commission (SSACI) estimates that 65% of the 13,310 academic honors students who are projected to graduate in 2000 will attend a college or university or proprietary school in Indiana. Consequently, 8,652 college students could qualify for this scholarship in the first year.

The program would take four years to reach maturity when four cohorts of students eligible to receive the award would be enrolled at the same time. The following table illustrates the potential funding requirements between FY 2001 and FY 2004. In future years, the ongoing costs of the program will depend on any additional increase in students who earn academic honors diplomas and enroll in colleges or proprietary schools in the state.

	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>
cost of awards	\$4,325,750	\$8,002,700	\$11,171,875	\$13,945,425
administrative costs				

one time programming costs		currently indeterminable		
publicity and other administrative	<u>\$35,000</u>	<u>\$36,225</u>	<u>\$37,493</u>	<u>\$38,805</u>
total costs	<u>\$4,360,750</u>	<u>\$8,038,925</u>	<u>\$11,209,368</u>	<u>\$13,984,230</u>

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: State Student Assistance Commission; State Universities.

Local Agencies Affected:

Information Sources: Nick Vesper, State Student Assistance Commission; Department of Education Database