

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

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6927

BILL NUMBER: SB 373

DATE PREPARED: Dec 29, 1999

BILL AMENDED:

SUBJECT: Save Indiana Program.

FISCAL ANALYST: Mark Goodpaster

PHONE NUMBER: 232-9852

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: No Fiscal Impact

Summary of Legislation: This bill repeals the Save Indiana Program of the Indiana Education Savings Authority and makes conforming changes. It extends from July 1, 2000, to July 1, 2001, the expiration date of a noncode provision that requires the Treasurer of State, the Board for Depositories, the Commission for Higher Education, and the State Student Assistance Commission to provide certain administrative and financial support to the Indiana Education Savings Authority.

Effective Date: June 30, 2000; July 1, 2000.

Explanation of State Expenditures: The Save Indiana Program was created by P.L. 165-1996 to encourage (1) elementary and secondary school students to participate in savings activities to pay for higher education; (2) financial institutions to provide incentives for students to participate in education savings activities, including the save Indiana program; and (3) elementary and secondary schools to establish a curriculum to teach the value of saving. Money in these accounts may not be considered when determining award amounts under a program administered by the State Student Assistance Commission.

The Indiana Education Savings Authority is administratively ending the Save Indiana Program because of the low participation rate among savers and financial institutions. As of September 1, 1999, the Authority reports that 81 accounts were in the Save Indiana Program at one bank, 30 of which had active depositors. Of these active depositors, eight were transferred into either educational IRA's or into the Indiana Family College Savings Program. The remainder of the active accounts and all of the 51 inactive accounts remain in private savings accounts of the one participating bank. The Authority anticipates that the complete implementation of this change will occur by January 7, 2000.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Treasurer of State, Board for Depositories

Local Agencies Affected:

Information Sources: Holly Davis, Board for Depositories