

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

301 State House
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FISCAL IMPACT STATEMENT

LS 6962
BILL NUMBER: SB 402

DATE PREPARED: Jan 3, 2000
BILL AMENDED:

SUBJECT: Funding for elementary school counselors.

FISCAL ANALYST: Chuck Mayfield
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FUNDS AFFECTED: **GENERAL**
 DEDICATED
FEDERAL

IMPACT: State & Local

STATE IMPACT	FY 2000	FY 2001	FY 2002
State Revenues			
State Expenditures		1,250,000	3,750,000
Net Increase (Decrease)		(1,250,000)	(3,750,000)

LOCAL IMPACT	CY 2000	CY 2001	CY 2002
Local Revenues		2,500,000	5,000,000
Local Expenditures		5,000,000	10,000,000
Net Increase (Decrease)		(2,500,000)	(5,000,000)

Summary of Legislation: This bill provides an elementary school counselor grant to school corporations. It phases in the grant over five years. The bill provides that the total amount of grants equals the amount necessary to fund one-half of the salaries of the elementary school counselors needed to attain the 1999 nationwide ratio of elementary school counselors to elementary school students, as determined by data from the American Counseling Association.

Effective Date: July 1, 2000; January 1, 2001.

Explanation of State Expenditures: For CY 1999, the ADM for grade K-6 was 481,099.5 and there were 473.23 elementary school counselors on a full time basis. The ratio of elementary students to counselors was about 1,016.51 to 1. The national average ratio of students to counselors was about 561 to 1. Indiana would

need about 384 more counselors over a five-year period to meet the goal of 561. The 2001 state average counselor's salary is projected to be about \$64,000. The state would pay ½ of the state average salary for new counselors hired by the school. The impact for CY 2001 is about \$2.5 million, 20% (first year of five year phase in)*384 new counselors needed *64,000 project average salary*.5 (state funds ½ of cost). The impact for CY 2002 is about \$5.0 million, 40% (second year of five year phase in)*384 new counselors needed *64,000 project average salary*.5 (state funds ½ of cost). The state impact for FY 2001 is \$1.25 million, (\$2.6 million/2), and the impact for FY 2002 is \$3.75 million, (\$2.5 million/2+\$5.0 million/2).

Explanation of State Revenues:

Explanation of Local Expenditures: The increase in local expenditures is equal to the funding required to pay for the new counselors. For CY 2001, this would increase expenditures by \$5 M and \$10 M in CY 2002. However, the net increase in expenditures will be \$2.5 M in CY 2001 and \$5 M in CY 2002 after state General Fund reimbursement. Schools are scheduled to add about 77 elementary school counselors per year. The net increased expenditures will come from available general fund revenue.

Explanation of Local Revenues: The increase local revenue is equal to the increase in state expenditures. The state is funding about ½ of the cost for the additional counselors.

State Agencies Affected: Departments of Education

Local Agencies Affected: Local School Corporations

Information Sources: Departments of Education's Certified Staff and Prime Time Databases