

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

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6360
BILL NUMBER: HB 1912

DATE PREPARED: Dec 6, 2000
BILL AMENDED:

SUBJECT: Vocational Education Funding.

FISCAL ANALYST: Chuck Mayfield
PHONE NUMBER: 232-4825

FUNDS AFFECTED: **GENERAL**
 DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill makes changes to the vocational education formula effective in 2002. It changes the date of the report categorizing employment demand. The bill requires the Department of Workforce Development to provide a report listing whether the Indiana average wage level for each labor category is a high wage, a moderate wage, or a less than moderate wage. The bill uses this report and the employment demand report in determining the amount of the vocational education grants. The bill also provides the funding on a credit hour basis. It specifies that the grant amount for each type of vocational program shall after 2002 be increased each year by an amount equal to the minimum percentage increase in previous year revenue specified in the school funding provisions. This bill also provides a minimum funding amount based on the previous vocational education funding formula. The bill eliminates the funding component for pupils receiving a certificate of achievement. It eliminates the funding component for pupils enrolled in family and consumer science programs, and replaces it with an amount equal to 80% of the funding received for these pupils in 2000. It also provides funding of \$150 per pupil for pupils participating in a vocational education program in which pupils from multiple schools are served at a common location. The bill provides funding for equipment purchases by area vocational planning districts. (The introduced version of this bill was prepared by the Interim Study Committee on Education Issues.)

Effective Date: Upon passage; July 1, 2001; January 1, 2002.

Explanation of State Expenditures: The bill changes the 2002-2003 calendar year school vocational education formula for tuition support calculations. Schools are guaranteed to received 90% of the CY 2001 vocational education formula, using 2002 enrollments, in CY 2002. The percentage guarantee decreases to 80% for CY 2003 and 70% for CY 2004. The exact impact is unknown since schools might change program offerings to maximize revenues. Using CY 2000 data, the new formula would increase vocational education funding by \$5.9 M over the current formula distribution of \$55.4 M for CY 2000, with 171 schools receiving more funding and 123 schools receiving less.

The bill also provides \$2.5 M to area vocational planning districts to lease or purchase equipment. The amount each district receives is determined by multiplying \$2.5 M times the percentage of vocational education students enrolled in the district compared to the total enrollment for all districts.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: See Explanation of State Expenditures, above.

State Agencies Affected: Department of Workforce Development, Department of Education.

Local Agencies Affected: Local School Corporations.

Information Sources: Department of Education and Department of Workforce Development databases.