

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

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7108

BILL NUMBER: HB 2079

DATE PREPARED: Dec 30, 2000

BILL AMENDED:

SUBJECT: Hope Scholarship.

FISCAL ANALYST: Chuck Mayfield

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FUNDS AFFECTED: **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill establishes the Indiana Hope Scholarship Program.

Effective Date: July 1, 2001.

Explanation of State Expenditures: The bill establishes the Indiana Hope Scholarship Program to do the following:

- a. Increase the number of students entering college.
- b. Encourage eligible students to attend college by reducing the financial burden on the student and family.
- c. Increase the individual economic vitality.
- d. Improve the overall quality of life for many Indiana residents.

To be eligible for the scholarship a student must meet the following criteria:

1. Reside in Indiana.
2. Graduate from an Indiana public, private, or home school.
3. Graduate with a "B" average.

The amount of the scholarship is the sum of the following:

1. An amount sufficient to offset the cost of tuition.
2. An amount sufficient to offset other regularly assessed fees.
3. A textbook allowance of \$150 for state universities or \$100 for postsecondary proprietary educational institutions.

The amount for private colleges is \$4,000 for the academic year.

For the 1998-99 school year, the full-time equivalence for undergraduate student enrollment in state universities was 141,040.89 and 20,351 in private colleges. The average undergraduate tuition and fee costs

for the fall of 2000 were \$3,438 at state colleges. Assuming 80% of the students attending college would qualify for these scholarships and there was a 4% increase in fees, the cost would be about \$420 M for state universities and \$65 M for private universities.

The Student Assistance Commission would have additional expenses in administering such a large new program. The estimated impact on the Student Assistance Commission is unknown but could be 5% of the scholarships, or \$24 M.

This bill does not contain an appropriation for this program.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Student Assistance Commission, State and Private Universities.

Local Agencies Affected:

Information Sources: Commission for Higher Education Student Information and Postsecondary Education Tuition and Fee Rates in Indiana Reports.