

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

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6255

BILL NUMBER: SB 82

NOTE PREPARED: Nov 6, 2004

BILL AMENDED:

SUBJECT: High School Diplomas.

FIRST AUTHOR: Sen. Craycraft

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill provides that a veteran of the Korean Conflict or the Vietnam Conflict who left a public or nonpublic high school without graduating in order to perform military service may receive a high school diploma.

Effective Date: July 1, 2005.

Explanation of State Expenditures: *Summary:* Under the bill, the Department of Education would incur expenditures to produce additional diplomas for Korean and Vietnam veterans, and the Department of Veterans' Affairs would incur additional administrative responsibility to verify the eligibility of veterans from the Korean and Vietnam conflicts. The fiscal impact to state expenditures is currently indeterminable and expected to be minimal.

Estimation Issues: Projections from the United States Department of Veterans' Affairs indicate that approximately 235,000 veterans from the Korean and Vietnam conflicts currently live in Indiana. Assuming that all officers had a high school diploma and would not be eligible for this program, the number would be reduced. It is estimated that 10,100 officers that served in these conflicts live in Indiana presently. Removing the officers would reduce the number to 224,900. Removing those enlisted veterans that served in Vietnam, Korea, and WW II, since they qualified under P.L. 127-2002, would reduce the estimate by approximately 1,700, to 223,200.

According to data from the 1970-71 to 1974-75 school years, the average dropout rate at that time for Indiana high school students was approximately 20.4%. (State dropout data for all years of the Vietnam conflict and

the Korean conflict are not available.) Assuming the rate applied to all Vietnam and Korean War veterans, 45,500 veterans would remain. However, other conditions, including leaving high school to join the Armed Forces of the United States, may not have been met by some of the veterans that dropped out of school, which would further reduce the eligible number.

There could be additional veterans living out of state that left an Indiana high school to enter the Vietnam or Korean conflicts that may qualify. There may also be veterans living in Indiana that attended an out-of-state high school.

Diploma Cost: The total cost to produce a veterans diploma under P.L.127-2002 is approximately \$2.79. Under P.L.127-2002, World War I and World War II veterans that dropped out of high school in order to enlist in the Armed Forces of the United States are eligible to be awarded an honorary high school diploma. Since the passage of P.L. 127-2002, 247 diplomas have been awarded to qualifying WWI and WWII veterans (18 in the current year). Of the 247 diplomas, the Department has awarded 47 diplomas at the state level, versus 200 diplomas awarded at the local school district level. The total cost for producing 247 diplomas based on the per diploma cost estimate above would be about \$690.

The Indiana War Memorials Commission reports that approximately 130,400 Hoosiers served in World War I. Approximately 400,000 Indiana residents served in World War II. The number of Indiana natives killed in action (KIA) are as follows: World War I - 3,350; World War II - 13,000.

It is estimated that approximately 80,600 World War I and World War II veterans live in Indiana today. The overwhelming majority of these veterans served in World War II. The percentage of those living veterans that have been awarded a diploma under current law is approximately 0.31%.

Explanation of State Revenues:

Explanation of Local Expenditures: Awarding of additional veterans diplomas would have a minimal impact to school corporation expenditures if the school were to hold a veteran diploma ceremony concurrently with another school activity such as commencement. Of the 247 World War I or World War II diplomas awarded to date, school corporations have awarded 200 diplomas to qualifying veterans (81% of total awarded).

Explanation of Local Revenues:

State Agencies Affected: Department of Education; Department of Veterans Affairs.

Local Agencies Affected: School corporations.

Information Sources: Office of the Actuary, Office of Policy and Planning, U.S. Department of Veterans' Affairs; Jeff Zaring, Indiana Department of Education, (317) 232-6622; Indiana War Memorials Commission.

Fiscal Analyst: Chris Baker, 317-232-9851.