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FISCAL IMPACT STATEMENT

LS 7124
BILL NUMBER: HB 1312

NOTE PREPARED: Feb 14, 2013
BILL AMENDED:

SUBJECT: EARN Indiana Program.

FIRST AUTHOR: Rep. Clere
FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill changes the College Work Study Program into the Employment Aid Readiness Network (EARN) Indiana program. It defines "EARN Indiana program".

The bill makes changes to the definition of "eligible employer" to extend eligibility to for-profit companies and allow year-round participation of all eligible entities. It also makes changes to the definition of "eligible student".

The bill makes changes to transform the EARN Indiana program into a year-round program.

The bill changes the conditions that must be included in an agreement between the Commission for Higher Education (Commission) and an eligible employer.

The bill repeals a provision that pertains to certain requirements of eligible employers that are approved postsecondary educational institutions. It also repeals a provision allowing an approved postsecondary educational institution to use up to 10% of its state allotment as part of its match against the federal Work-Study Program.

The bill requires an eligible employer to submit to the Commission a job description and one or more statements reporting the wages paid to the student and time worked by the student.

The bill provides that for purposes of funding for eligible employers that are for-profit companies, the Commission shall give priority to employers that are organized as small businesses.

Effective Date: July 1, 2013.

Explanation of State Expenditures: Changing the name of the College Work Study Program to EARN should have no fiscal impact. The changes to the qualifications of an eligible employer could increase the number of employers that might be able to participate in the program. The bill also removes the distinction between work study during the school year and in the summer. The changes made by the bill should have no state fiscal impact since the amount to be distributed under the program would still be limited to the appropriation.

Requiring the employer to submit a job description and one or more wage statements to the Commission would not increase the cost to state educational institutions. They already have to report selected information to the Commission.

Background- For FY 2012, \$837,719 was appropriated for the program and \$733,656 was spent by the program. There were 119 employers and 5390 students that participated in the program, 209 students during the academic year and 330 students in the summer.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Higher Education Commission; Institutions of Higher Education.

Local Agencies Affected:

Information Sources: Higher Education Commission.

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