

**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 7254

BILL NUMBER: HB 1342

NOTE PREPARED: Jan 13, 2013

BILL AMENDED:

SUBJECT: Office of Accountability and Innovation.

FIRST AUTHOR: Rep. Behning

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill has the following provisions:

Office of Accountability and Innovation: The bill establishes the Office of Accountability and Innovation (OAI). It provides that the Education Roundtable shall approve the annual budget for the OAI and authorize the OAI board to hire staff to administer the OAI. It establishes the OAI Board, which consists of the state superintendent for public instruction, the executive director of the Commission for Higher Education, and the commissioner of the Department of Workforce Development. It provides that the Governor shall appoint the chairperson of the OAI Board. It provides that the purpose of the OAI is to: (1) establish and maintain a longitudinal data system that contains record level educational and workforce data from all levels of education and the state's workforce; and (2) administer the Choice Scholarship Program. The bill also makes an appropriation.

Data System: The bill provides that the data system maintained by the OAI must be used to improve the educational delivery system, improve the quality of the state's workforce as well as the workforce's economic opportunities, and provide useful and meaningful education and workforce data to the state's decision makers of all levels. It requires the Department of Education, Commission for Higher Education, and Department of Workforce Development to provide the OAI access to necessary data. It provides that the data compiled and maintained on the OAI's data system must not contain any personal information of any student or worker. It requires the OAI to comply with all federal and state privacy laws.

Choice Scholarship: The bill moves oversight of choice scholarship from the Department of Education (DOE) to the OAI.

Effective Date: July 1, 2013.

Explanation of State Expenditures: Ultimately, the source of funds and resources required to satisfy the requirements of this bill would depend on legislative and administrative actions. The bill does not indicate which facilities the OAI will use or how much staff the new office would need to administer the Choice Scholarship Program and to manage the proposed data system. Some of the staff in the DOE formerly assigned to oversee the program could be assigned other duties or transferred to the OAI.

The bill annually appropriates the funds necessary to the Education Roundtable to carry out the duties of the OAI.

This bill also extends the school funding formula for another two fiscal years. The impact to this provision is indeterminable and would be subject to available funding.

Background - Choice Scholarship: This program, which was started for the 2011-2012 school year, gives families the opportunity to send their children to a school of their choice. A voucher, or “Choice Scholarship”, is a state payment that qualifying families can use to offset tuition costs at participating schools. Students qualify based on total household income. If the eligible student is enrolled in grade 1 through 8, the maximum choice scholarship that the eligible individual may receive for a school year is four thousand five hundred dollars (\$4,500).

The maximum number of scholarships appropriated for the 2011-2012 school year was 7,500 of which 3,911 were actually awarded at a total cost of \$15.6 M. For the 2012-13 school year the maximum number of scholarships is 15,000 of which approximately 9,130 were awarded at a total cost of \$35.9 M.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Office of Accountability and Innovation; Department of Education; Department of Workforce Development; Commissioner for Higher Education; Governor’s Office.

Local Agencies Affected: Schools.

Information Sources:

Fiscal Analyst: David Lusan, 317-232-9592.