

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

LS 6327

BILL NUMBER: HB 1049

NOTE PREPARED: Feb 17, 2025

BILL AMENDED: Feb 13, 2025

SUBJECT: Public Service Attorney Scholarships.

FIRST AUTHOR: Rep. Steuerwald

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill establishes the: (1) County Deputy Prosecuting Attorney and Public Defender Scholarship Program (program); and (2) County Deputy Prosecuting Attorney and Public Defender Scholarship Fund (fund). It provides that the Commission for Higher Education (CHE) shall administer the program and fund.

Effective Date: July 1, 2025.

Explanation of State Expenditures: The bill does not make an appropriation to the fund for the program. If the fund receives an appropriation, CHE would administer the program and fund, which would provide scholarships beginning in the 2026-2027 academic year to students in an Indiana law school that agree to become a full-time county deputy prosecuting attorney or public defender in the state for at least five years after they become eligible to practice law. Applicants must also meet certain academic criteria. Depending on administrative and legislative actions, CHE may require additional staff to administer the program. Additionally, the Indiana Commission on Court Appointed Attorneys and the Department of State Revenue could experience minor workload increases under the bill.

Additional Information - The scholarships, when combined with other financial aid, cannot exceed the student's tuition costs and are also capped at \$20,000 annually for full-time students, and \$15,000 annually for part-time students. The maximum award amount per individual is capped at \$60,000 over a four-year period. Total statewide scholarship amounts cannot exceed the appropriation. In the event that a scholarship recipient fails to meet the requirements for the scholarship, the recipient would be required to pay back all or a pro-rated portion of the scholarship. The Indiana Commission on Court Appointed Attorneys would be required to certify that scholarship recipients who choose to be public defenders are maintaining a full-time caseload. The Department of Revenue could also be tasked with assisting CHE in enforcing the repayment of scholarships.

The American Bar Association defines a “legal desert” as any county with a ratio below 1.0 lawyers per 1,000 residents. Forty-nine Indiana counties meet this definition when using the business addresses of lawyers (Commission on Indiana’s Legal Future).

Explanation of State Revenues:

Explanation of Local Expenditures: If an appropriation is made to the program and scholarships encourage more students to become county deputy prosecutors or public defenders, staffing issues in county offices could be reduced. The impact would begin in FY 2028, and would be dependent upon the appropriation and how many people are employed in a qualified position that would not have been without the scholarship.

Explanation of Local Revenues:

State Agencies Affected: Commission for Higher Education; Indiana Commission on Court Appointed Attorneys; Department of Revenue.

Local Agencies Affected: County public defenders; prosecutor's offices.

Information Sources: Commission on Indiana's Legal Future: Interim Recommendations, July 30, 2024.
<https://www.in.gov/courts/admin/files/lfc-interim-report.pdf>

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