

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

200 W. Washington St., Suite 301
Indianapolis, IN 46204
(317) 233-0696
iga.in.gov

FISCAL IMPACT STATEMENT

LS 7183

BILL NUMBER: HB 1553

NOTE PREPARED: Mar 29, 2021

BILL AMENDED: Feb 11, 2021

SUBJECT: Higher Education Matters.

FIRST AUTHOR: Rep. Behning

FIRST SPONSOR: Sen. Walker K

BILL STATUS: 2nd Reading - 2nd House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: The bill changes the eligibility requirements for the Next Generation Hoosier Educators Scholarship and provides that a student may qualify for the scholarship by achieving a cumulative grade point average upon graduation of at least a 3.5 on a 4.0 grading scale during grades 9, 10, 11, and 12. The bill requires the Commission for Higher Education (CHE) to give priority to an individual who is: (1) a recent high school graduate; (2) pursuing a teacher shortage area; (3) showing significant financial need; or (4) a member of a household with an annual income of not more than the amount required for the individual to qualify for the free or reduced price lunch program as determined for the immediately preceding taxable year.

The bill also provides that the National Guard Tuition Supplement Program may be used by a scholarship applicant for graduate credits.

Effective Date: July 1, 2021.

Explanation of State Expenditures: *National Guard Tuition Supplement Program:* Allowing the program to cover graduate credits and to be used by a student over six academic years could increase expenditures from the National Guard Tuition Supplement Program Fund. Any impact would depend on the increase in National Guard members using the scholarship. The change in scholarship use may be able to be implemented without an increased General Fund appropriation for the program. Between FY 2015 and FY 2019, the annual appropriation for the program exceeded award payments by an average of \$518,000 per year. [Money in the National Guard Tuition Supplement Program Fund does not revert to the General Fund, but remains available to be used to provide money for National Guard Tuition Supplement Scholarships.]

The maximum scholarship amount equals the cost of a full undergraduate tuition scholarship at a State Educational Institution for four academic years. The average award amount from FY 2015 through FY 2019 was \$5,466 per student. Over the same period, around 580 students received the scholarship annually.

CHE: The bill's requirements represent an additional workload on CHE to make administrative changes to the National Guard Tuition Supplement Grant as well as to eligibility requirements and to how priority is determined when awarding Next Generation Hoosier Educators Scholarships. CHE should be able to implement the changes with no additional appropriations, assuming near customary agency staffing and resource levels.

Additional Information: The Next Generation Hoosier Educators Scholarship program provides 200 awards annually; the bill is not anticipated to impact the number of awards/distributions. Each scholarship provides up to \$7,500 each year for four academic years.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Commission for Higher Education.

Local Agencies Affected:

Information Sources: 2015-2019 State Financial Aid Summaries, Commission for Higher Education, <https://www.in.gov/che/3155.htm>.

Fiscal Analyst: Camille Tesch, 317-232-5293.