

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

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FISCAL IMPACT STATEMENT

LS 6366

BILL NUMBER: HB 1093

NOTE PREPARED: Dec 13, 2020

BILL AMENDED:

SUBJECT: Choice Scholarship Eligibility.

FIRST AUTHOR: Rep. Cherry

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill makes changes to eligibility requirements for the Choice scholarship program and makes conforming amendments. The bill repeals a provision that restricts the use of a Choice scholarship program for a student who is eligible to receive a Choice scholarship because the student was enrolled in a certain early childhood program.

Effective Date: July 1, 2021.

Explanation of State Expenditures: The bill would make some students, who were ineligible for a Choice scholarship under current law, eligible for a Choice scholarship. If those newly eligible students choose to attend a Choice school on a Choice scholarship, state expenditures would be impacted. The impact on state expenditures is dependent upon the type of schools students would have attended under current law. Since Choice scholarships decrease state expenditures relative to attending a public school, to the extent students receive Choice scholarships instead of attending public schools, state expenditures will decrease. To the extent students who would have attended

1. A homeschool; or
2. A private school without a Choice scholarship

receive a Choice scholarship under the bill, state expenditures would increase.

Additional Information- Under current law, there are several Choice eligibility tracks that include an income requirement along with another requirement not related to income. The bill keeps the current laws' tracks that involve disabled students and students who received a Choice scholarship in the prior school year. Those tracks require the student to come from a household with an income that is not more than 200% of the maximum amount to qualify for free or reduced price lunch (200% of FRL).The bill eliminates the other

tracks that require a lower household income (most often 150% of FRL). Instead, under the bill, a student that comes from a household that meets the 150% of FRL requirement would be eligible for a Choice scholarship. Some students who, under current law, meet the income requirement but are unable to meet one of the requirements in the Choice scholarship tracks, would become newly eligible for a Choice scholarship.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: Public school revenue from state tuition support is driven largely by the average daily membership (ADM), which is a measure of the number of students enrolled and expected to attend a given school on a given date. To the extent that the bill encourages some students to attend a private school on a Choice scholarship rather than public school, public school revenue from state tuition support will decrease.

State Agencies Affected:

Local Agencies Affected: School Corporations.

Information Sources:

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