

# FISCAL NOTE

**Bill #:** HB0449

**Title:** High school honor scholarship program

**Primary Sponsor:** Cindy Younkin

**Status:** As Introduced

\_\_\_\_\_  
Sponsor signature Date

\_\_\_\_\_  
Chuck Swysgood, Budget Director Date

## Fiscal Summary

	<b><u>FY2002</u></b> <b><u>Difference</u></b>	<b><u>FY2003</u></b> <b><u>Difference</u></b>
<b>Expenditures:</b>		
General Fund	400,000	1,900,000
State Special	400,000	1,900,000
<b>Revenues:</b>		
State Special	400,000	1,900,000
<b>Net Impact on General Fund Balance:</b>	<b>(\$400,000)</b>	<b>(\$1,900,000)</b>

<b><u>Yes</u></b>	<b><u>No</u></b>		<b><u>Yes</u></b>	<b><u>No</u></b>	
	X	Significant Local Gov. Impact		X	Technical Concerns
	X	Included in the Executive Budget	X		Significant Long-Term Impacts
	X	Dedicated Revenue Form Attached	X		Family Impact Form Attached

## Fiscal Analysis

### ASSUMPTIONS:

1. MUS currently provides a fee wavier up to \$2,200 per recipient which would be assumed to continue for the recipients of scholarships under this legislation.
2. In FY2002, it is estimated that 500 stipends would be awarded at \$800 each.
3. In FY 2003 it is estimated that 500 stipends would be awarded at \$800 each. In addition, \$3,000 cash awards would be presented to 500 recipients.

FISCAL IMPACT:

	<u>FY2002</u> <u>Difference</u>	<u>FY2003</u> <u>Difference</u>
<u>Expenditures:</u>		
General Fund – Transfers to State Special	\$400,000	\$1,900,000
State Special - Transfers (to Educational Units)	\$400,000	\$1,900,000
<u>Funding:</u>		
General Fund (01)	\$400,000	\$1,900,000
State Special (02)	400,000	1,900,000
<u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>		
General Fund (01)	(\$400,000)	(\$1,900,000)
State Special	0	0

LONG-RANGE IMPACTS:

1. In FY 2004, it is estimated that 500 stipends would be awarded at \$800 each. In addition, \$3,000 cash award would be presented to 1,000 recipients. The total awards for FY2004 would therefore be \$3,400,000.
2. In FY 2005 it is estimated that 500 stipends would be awarded at \$800 each. In addition, \$3,000 cash award would be presented to 1,500 recipients. The total awards for FY2005 would therefore be \$4,900,000.

TECHNICAL NOTES:

1. Section 5 requires a transfer from the general fund to the state special educational scholarship account. To be consistent with current practices this transfer would require appropriation either dollar specific or statutory. It is not covered by the statutory appropriation provided for expenditure of the state special funds.
2. It is not current practice to establish open ended, i.e. not dollar limited, expenditure programs of this nature from general fund sources.