

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2005

Legislative Fiscal Note

BILL NUMBER: House Bill 1342 (First Edition)

SHORT TITLE: Special Diplomas for War Veterans.

SPONSOR(S): Representative Sherrill

	FISCAL IMPACT				
	Yes ()	No ()	No Estimate Available (X)		
	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>
REVENUES:	N/A	N/A	N/A	N/A	N/A
STATE EXPENDITURES:	**See Assumptions and Methodology Section**				
LOCAL EXPENDITURES:	**See Assumptions and Methodology Section**				
POSITIONS (cumulative):	None Anticipated				
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED:	Local Boards of Education; State Board of Education; Department of Administration, Division of Veteran's Affairs				
EFFECTIVE DATE:	The act is effective when it becomes law.				

BILL SUMMARY:

Amends GS 115C-12 to authorize local boards of education to issue special diplomas to qualified veterans of WWII, Korea, and Vietnam. Applicants must meet requirements established by rules adopted by State Board of Education.

Source: Bill Digest H.B. 1342 (04/21/0200).

ASSUMPTIONS AND METHODOLOGY:

Background

The bill is an expansion of a law passed in 2001 that gave the State Board of Education the authority to issue special diplomas to veterans of WWII who were not able to complete high school due to military service. Currently, the Department of Public Instruction processes these

requests and grants for the diploma. Processing is done at one time during the year (usually the spring) and an administrative assistant already employed by DPI handles the actual processing.

Potential Fiscal Impact

The bill expands the pool of potential applicants for special diplomas. This expansion could create a fiscal impact by increasing administrative costs for the agency or agencies processing the applications. It is not possible to predict either: (i) how many more applications would be submitted and processed as a result of the bill, or (ii) whether DPI or local boards of education will do the majority of the processing. Therefore, no estimate of fiscal impact is available. It is possible, however, to consider various scenarios that could occur as a result of the bill that could create some, albeit minimal fiscal impact, on either local boards or DPI.

Shifting Administration to Local Boards of Education

The bill “authorizes,” but does not require, local boards of education to issue the special diplomas. Since local boards are not required to do anything, the bill technically does not create any fiscal impact on them. To the extent that the local boards do not choose to exercise their newly granted authority to issue the special diplomas, responsibility for processing any additional applications resulting from the bill would fall to DPI.

Were one to assume that local boards would honor the spirit of the legislation and issue diplomas to any qualified veteran who requests one, the bill would effectively shift administration of the special diplomas from the Department of Public Instruction to local boards of education. As a result, local boards might incur additional cost for processing and review. For any given local board, however, these costs would likely be negligible, as diploma applications would likely be diffused across all LEAs.

Increased Applications for Special Diplomas

No estimate is available for the number of potential diploma recipients this bill would create. Data from the current program can provide some instruction as to the potential number of applications, however. The number of diplomas awarded under the current law is summarized in Table One below:

Table One: Number of Special Diplomas Issued to WWII Veterans Since 2001

Fiscal Year	2000-01	2001-02	2002-03	2003-04	2004-05	Total
Diplomas	166	95	20	42	17	340

The State total is small, and has decreased by 90% since 2001. While expanding the pool of eligible recipients will almost certainly increase the number of applications and diplomas awarded, particularly in the first year the new eligibility is created, it is not likely that any increase will be great enough to place significant additional administrative burden on either individual local boards or on DPI. As mentioned above, the shift in administrative responsibility from DPI to the LEAs would spread any additional costs across the state, perhaps allowing LEAs to absorb the impact of any increased applications more easily than DPI could.

Division of Veterans' Affairs

The bill creates another potential fiscal impact on the State in the Division of Veterans' Affairs, which would have to review applications to verify applicants' military service. Despite this, the Department of Administration does not believe that this will have a significant impact on the Division of Veterans' Affairs.

SOURCES OF DATA: NC Department of Public Instruction

TECHNICAL CONSIDERATIONS: None

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