

FISCAL NOTE
Requested by Legislative Council
01/19/2017

Amendment to: SB 2054

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2015-2017 Biennium		2017-2019 Biennium		2019-2021 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$(2,000,000)		\$(2,000,000)
Expenditures						
Appropriations						

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2015-2017 Biennium	2017-2019 Biennium	2019-2021 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

SB2054, as amended, provides a 25% tuition and fees waiver at a state institution of higher education for peace officers licensed per NDCC chapter 12-63 with at least two years employment experience. Tuition waivers are capped at \$1.0 million per year.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The bill, as amended, provides for a 25% tuition and fees waiver for licensed peace officers attending state institutions of higher education in pursuit of an associates or baccalaureate degree. Officers must have a minimum of two years employment experience. Officers must maintain satisfactory performance with their employer while attending the institution. Eligibility extends for five years from receipt of the first waiver. The waiver applies to tuition and fees remaining after deducting federal financial aid and state scholarships/grants.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

Tuition and fee revenue for the university system would decrease by approximately \$2,000,000 per biennium as a result of this bill. The financial impact per institution would vary depending on where the peace officer was enrolled.

According to the Office of the Attorney General, there are currently 1,050 licensed peace officers with two years of employment experience and a post-secondary education level below a baccalaureate degree. The potential impact of this waiver is approximately \$3.0 million per biennium; however, the engrossed version of the bill caps waivers at \$2.0 million per biennium.

The following assumptions were used in the calculation:

1. All qualified peace officers would participate in the program and would pursue a baccalaureate degree. Therefore, 2016-17 tuition and fee rates from the ND four-year, non-research institutions were utilized.
2. Section 1, subsection 1(a) requires peace officers to maintain satisfactory performance with their law enforcement

agency. As a result, part-time tuition rates rather than full-time tuition rates were used. Enrollment was estimated at 11 credits per semester for two semesters per year.

3. We are not able to estimate the impact of federal or state financial aid without having specific peace officer financial and statistical data.

Note: The actual financial impact will vary depending the number of peace officers enrolled, institution attended and the number of credits taken.

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

None

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

The executive budget does not include an appropriation to offset the revenue loss from this bill.

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