

FISCAL NOTE
Requested by Legislative Council
01/18/2019

Revised
 Bill/Resolution No.: SB 2334

- 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.*

	2017-2019 Biennium		2019-2021 Biennium		2021-2023 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures				\$27,100,000		\$27,100,000
Appropriations				\$27,100,000		\$27,100,000

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

	2017-2019 Biennium	2019-2021 Biennium	2021-2023 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).*

SB2334 provides a senior year tuition waiver for students in science, technology, engineering or mathematics programs at four year institutions and students enrolled in a two-year degree or certificate program in technology or a skilled trade. BND profits would be used to fund the waivers.

- 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 provides a waiver of tuition costs related to the senior year, or equivalent time period, of education at a ND state institution of higher education. Students designated as a senior attending four-year institutions would receive a waiver for no more than two semesters. Students in two-year programs would receive a waiver for one-semester. Students in certificate programs would receive a waiver for twenty-five percent of the tuition cost of the program.

The waiver amount is calculated net of scholarships, grants or other waivers. Students may only receive one waiver under the program. This waiver has a requirement for the student to maintain employment in ND for at least three years and a full repayment requirement if the student does not fulfill this requirement. The State Board of Higher Education (SBHE) is required to develop an application form and procedures to administer the program.

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.*

The bill would reduce tuition revenue of state institutions of higher education by an estimated \$27.1 million. Revenue losses would be offset by BND transfers.

- 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.*

BND expenditures would increase by \$27.1 million and would be used to offset the tuition revenue loss.

The number of students enrolled in certificate and associates degree programs, as well as the number of seniors in bachelor programs, at ND institutions during the 2016 spring, summer and fall semesters served as the basis for the calculation. FY2018-19 tuition rates were used. Scholarships, grants, and waiver dollars received by these students were deducted. Of the \$27.1 million in waivers, ND resident waivers are calculated at \$11.6 million and nonresident waivers are \$15.5 million.

- 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 required special fund appropriation for this bill was not included in the executive recommendation.

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