

FISCAL NOTE

(Return original and 10 copies)

Bill/Resolution No.: HB 1249 Amendment to: \_\_\_\_\_

Requested by Legislative Council Date of Request: 1-11-95

- 1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, and cities.

Narrative:

See Attachment

- 2. State fiscal effect in dollar amounts:

1993-95 <u>Biennium</u>		1995-97 <u>Biennium</u>		1997-99 <u>Biennium</u>	
<u>General</u> <u>Fund</u>	<u>Special</u> <u>Funds</u>	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Funds</u>	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Funds</u>

Revenues: (\$400-800,000) (\$400-800,000)

Expenditures:

- 3. What, if any, is the effect of this measure on the appropriation for your agency or department:

- a. For rest of 1993-95 biennium: \_\_\_\_\_
b. For the 1995-97 biennium: loss of \$400-800,000 in tuition income
c. For the 1997-99 biennium: loss of \$400-800,000 in tuition income

- 4. County and City fiscal effect in dollar amounts:

1993-95 <u>Biennium</u>		1995-97 <u>Biennium</u>		1997-99 <u>Biennium</u>	
<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>

If additional space is needed, attach a supplemental sheet.

Signed Laura Glatt

Typed Name LAURA GLATT

Date Prepared: 1-17-95

Department ND University System

Phone Number 328-4116

Under current statutory provisions, the NDUS has waived one-half of the amount of tuition assistance paid by the Adjutant General, not to exceed twenty-five percent of tuition. The funding contributions have been as follows:

	<b>National Guard Assistance Paymt.</b>	<b>NDUS Waiver</b>	<b>Student</b>	<b>TOTAL</b>
93-94	36%	18%	46%	100%
94-95	50%	25%	25%	100%

The 18% waiver for approximately 425 FTE students resulted in a loss of tuition revenue of \$169,033 to the NDUS in 93-94. During 1994-95, the Guard projects that 550 students will participate in the waiver program. With a 25% waiver, the NDUS will waive approximately \$250,000 in tuition during 94-95. In total, during the current 93-95 biennium, the NDUS will waive roughly \$420,000 in tuition for guard members under the current statutory provision.

The Adjutant General's appropriation includes \$896,250 in state general funds in the 1995-97 Executive Recommendation for the tuition program. The Adjutant General projects that 550-750 guard members will qualify for the waiver each year of the 95-97 biennium. It is the intention of the Adjutant General's Office to equally distribute the \$896,250 to the 1,100-1,500 guard members. As a result, each guard member would receive \$597-\$815 to apply towards tuition expenses. This would cover approximately 25-50% of tuition, depending on the institution the student attends and the number of guard members participating in the program. HB1249 would require the University System to waive the remaining tuition balance of 50-75%. However, the Adjutant General intends to require the applicants for this program to apply for the federal Pell Grant and other forms of financial aid. Historically, 30% of the guard members have qualified for the Pell grant. If one assumes that this trend will continue and the guard members receive the average state-institution award of \$1,460 per year, the NDUS will experience a loss of tuition income of \$400,000-\$800,000 a biennium, assuming there is no increase in tuition rates in 95-97.

Between the current 93-95 waiver and the increased potential waiver proposed in HB1249, the University System would have to waive tuition of approximately \$800,000 to \$1.2 million during the 95-97 biennium.