

FISCAL NOTE
Requested by Legislative Council
01/18/2021

Bill/Resolution No.: SB 2225

- 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.*

	2019-2021 Biennium		2021-2023 Biennium		2023-2025 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$6,800,000		\$6,800,000	
Appropriations			\$6,800,000		\$6,800,000	

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

	2019-2021 Biennium	2021-2023 Biennium	2023-2025 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).*

SB2225 increases the number dependents of veterans eligible for a full tuition waiver at a public institution of higher education by decreasing the minimum service-connected disability percentage requirement from 100% to 50%.

- 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.*

Current law states that dependents of veterans with a 100% service-connected disability are eligible for a full tuition waiver at a ND public institution of higher education. The Department of Veterans Affairs indicates that there are 1,213 veterans in ND that meet this criterion. In the 2019-20 academic year, the NDUS provided 120 waivers (10% of total eligible) to the eligible dependents at a cost of \$764,100 in waiver benefits.

SB2225 would provide this same tuition waiver to dependents of veterans with a 50% or greater service-connected disability. Using Department of Veterans Affairs data, the dependents of another 4,910 individuals would become eligible for the waiver benefit. Assuming the same 10% usage rate, the NDUS can expect at least another 486 individuals would take advantage of waiver. [4,910 X .10 = 486]

Actual costs could be higher or lower dependent on student enrollment.

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.*

Historically, tuition waivers appear as reductions of institution tuition revenue. However, institutions cannot absorb the significant cost of this proposed tuition waiver. A general fund appropriation would be required.

- 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.*

The NDUS estimates that the 486 additional waivers would cost \$6.8 million per biennium. The number of students at each institution was estimated using the 2019-20 Tuition Waiver Report waiver distribution. 2020-21 tuition rates were used in the calculation. Per institution costs estimates are: UND-\$2.4 million; NDSU-\$1.9 million; MiSU-\$650,000; BSC-\$585,000; NDSCS-\$386,000; MaSU-\$293,000; VCSU-\$248,000; LRSC-\$159,000; DSU-\$121,000; DCB-\$34,000; WSC-\$32,000.

Actual costs could be higher or lower dependent on student enrollment.

- 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.*

For the 2021-23 biennium, a \$6.8 million general fund ongoing appropriation is required to cover the estimated expenditures proposed in SB2225. This amount is not included in the NDUS base budget or the Executive Budget Recommendation.

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