

FISCAL NOTE

Bill #: SB0499

Title: Montana opportunity scholarship program

Primary

Sponsor: Ken Miller

Status: As Introduced

Sponsor signature

Date

Chuck Swysgood, Budget Director

Date

Fiscal Summary

	<u>FY2002</u> <u>Difference</u>	<u>FY2003</u> <u>Difference</u>
Expenditures:		
State Special Revenue:	0	0
Revenue		
State Special Revenue:	0	0
Net Impact on General Fund Balance:	\$0	\$0

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
X		Significant Local Gov. Impact	X		Technical Concerns
	X	Included in the Executive Budget	X		Significant Long-Term Impacts
	X	Dedicated Revenue Form Attached	X		Family Impact Form Attached

Fiscal Analysis

ASSUMPTIONS:

1. A \$1,000 opportunity scholarship is funded \$500 from an opportunity scholarship account and \$500 paid by the local community.
2. The opportunity scholarship account is funded by an “additional” 6 mills upon the taxable value of all real property subject to taxation in the state of Montana. This is subject to the vote of electorate and not effective until January 2003. Revenue would not be available until FY 2004. The “current” 6 mills is expected to raise \$24.3 million over the 2003 biennium.
3. A local community may provide funding for the opportunity scholarship by accepting gifts, grants, or donations or by levying a tax.
4. Based on a sample of the colleges, approximately 50 percent of resident, full-time, undergraduate students at the four-year campuses and 71 percent of COT/Community College resident, full-time undergraduate students have a cumulative grade point average (GPA) of 3.0+.

5. There is no data available to estimate the ability of the targeted local communities to pass additional mills for this scholarship. The following table identifies the additional mills needed to raise scholarship funds.

	Estimated Resident FTE w/ 3.0 GPA	Cost @ \$500	County mill value	Additional Mills required	Current Statewide 6 mills	COT 1/12 mills	New Statewide 6 mills	Community College mills	Total Higher Ed mills
Missoula	4,073	\$2,036,500	\$ 153,053	13.3	6.0	1.5	6.0	0.0	26.8
Butte	831	\$415,250	\$ 74,123	5.6	6.0	1.5	6.0	0.0	19.1
Dillon	440	\$220,000	\$ 17,525	12.6	6.0	0	6.0	0.0	24.6
Helena	496	\$248,145	\$ 87,518	2.8	6.0	1.5	6.0	0.0	16.3
Bozeman	3,852	\$1,926,000	\$ 118,593	16.2	6.0	0	6.0	0.0	28.2
Billings	1,783	\$891,250	\$ 223,126	4.0	6.0	1.5	6.0	0.0	17.5
Havre	656	\$327,750	\$ 32,470	10.1	6.0	0	6.0	0.0	22.1
Great Falls	552	\$276,190	\$ 113,512	2.4	6.0	1.5	6.0	0.0	15.9
Glendive	273	\$136,320	\$ 17,290	7.9	6.0	0	6.0	54.8	74.7
Miles City	321	\$160,460	\$ 16,091	10.0	6.0	0	6.0	43.6	65.6
Kalispell	821	\$410,735	\$ 142,835	2.9	6.0	0	6.0	11.0	25.9
Total	14,097	\$7,048,600							

6. Tribal college data was not available.

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

1. The ability of local communities to devote resources to generate matching dollars is not known.
2. The total mills required for eleven Montana communities with a campus would range from 2.4 to 16.2 to raise the matching dollars for this \$500 scholarship.

LONG RANGE IMPACTS:

	FY2004 <u>Difference</u>	FY2005 <u>Difference</u>
<u>Expenditures:</u>		
Scholarships	\$7,048,600	7,048,600
<u>Funding:</u>		
State Special Revenue (02)	\$12,063,000	12,231,000
Revenues:		
State Special Revenue (02)	\$12,063,000	12,231,000
<u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>		
State Special Revenue	\$5,014,400	\$5,182,400

TECHNICAL NOTES:

Imposing a statewide 6 mills levy raises a significant amount of more funds than what is needed for eligible students. The statewide mill levy may be reduced.