



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2023 Biennium

**Bill #** HB0626

**Title:** Revise resident nonbeneficiary student reimbursement for tribal colleges

**Primary Sponsor:** Running Wolf, Tyson T

**Status:** As Introduced

- Significant Local Gov Impact     
  Needs to be included in HB 2     
  Technical Concerns  
 Included in the Executive Budget     
  Significant Long-Term Impacts     
  Dedicated Revenue Form Attached

### FISCAL SUMMARY

	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>
<b>Expenditures:</b>				
General Fund	\$36,573	\$36,573	\$36,573	\$36,573
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance:</b>	<u>(\$36,573)</u>	<u>(\$36,573)</u>	<u>(\$36,573)</u>	<u>(\$36,573)</u>

**Description of fiscal impact:** HB 626 revises the reimbursement to Tribal Colleges for nonbeneficiary students. The reimbursement would change from a maximum allowable amount per nonbeneficiary student to a set amount.

### FISCAL ANALYSIS

**Assumptions:**

1. Current statute allows a maximum reimbursement of \$3,280 per nonbeneficiary student. If more nonbeneficiary students enroll than anticipated, the amount is prorated. There have been three fiscal years recently where the reimbursement amount needed to be prorated.

State Funding Adjustments for Non-beneficiary Montana Students Attending Tribal Community Colleges FY 2018 through 2021							
		State Funds Distributed for Nonbeneficiary Students					
Fiscal Year		Number of Nonbeneficiary Montana Students Reported	Appropriation	Amount Allocated per Nonbeneficiary Student	State Support Per Nonbeneficiary Student	State Funds Needed for Nonbeneficiary Students	Appropriation Adjustments Needed
FY 2019	Actual	296.13	837,875	2,829	3,280	971,306	133,431
FY 2020	Actual	260.56	837,875	3,216	3,280	854,637	16,762
FY 2021	Actual	214.04	837,875	3,280	3,280	702,051	(135,824)

2. Nonbeneficiary student enrollment has fluctuated over the last several years. The average full-time equivalent (FTE) enrollment of the last four years (266.60) was for FY 2022. To meet the \$3,280 threshold, the number of non-beneficiary students would need to be 255 FTE.
3. Enrollment projections for nonbeneficiary students were maintained at flat enrollment. The ten-year historical data has significant increases and decreases that were not consistent for projections.
4. Appropriations of \$837,875 for Tribal College reimbursements have remained consistent for the last six years.
5. The increased cost for the set amount per student equals the difference between the four-year average of 266.60 FTE and 255 FTE, totaling \$36,573 per year. If the number of non-beneficiary students exceeded 266.60 FTE, the cost would be greater.

	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>
<b><u>Expenditures:</u></b>				
Transfers	\$36,573	\$36,573	\$36,573	\$36,573
<b>TOTAL Expenditures</b>	<u>\$36,573</u>	<u>\$36,573</u>	<u>\$36,573</u>	<u>\$36,573</u>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$36,573	\$36,573	\$36,573	\$36,573
<b>TOTAL Funding of Exp.</b>	<u>\$36,573</u>	<u>\$36,573</u>	<u>\$36,573</u>	<u>\$36,573</u>
<b><u>Revenues:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
<b>TOTAL Revenues</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	(\$36,573)	(\$36,573)	(\$36,573)	(\$36,573)

Tyson T. Rungberg      3/23/21      KA      3-19-21  
 Sponsor's Initials      Date      Budget Director's Initials      Date