



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2023 Biennium

Bill # SB0243

Title: Create presumption of domicile for students who join Montana National Guard

Primary Sponsor: Bennett, Bryce

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>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Other	(\$78,503)	(\$80,858)	(\$85,016)	(\$88,416)
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: SB 243 requires campuses to charge resident tuition for non-resident students enrolled in the Montana National Guard and attending the MUS at the graduate level, causing a decrease in tuition revenue.

FISCAL ANALYSIS

Assumptions:

- The projection of Montana National Guard enrollment in MUS is based on actual enrollment from FY 2020 (139 students were enrolled in FY 2020).
- Of this population, 32% are non-resident students, for a total of 45 students that would qualify for resident tuition rates versus non-resident tuition rates.
- The MUS adopted policy 940.13 which provides undergraduate waivers for Montana National Guard members. As a result, a fiscal impact would only be incurred for non-residents enrolled in the Montana National Guard and attending the MUS at the graduate level.
- On average 10% of the total MUS full-time equivalent enrollment is at the graduate level. Of the 45 non-resident students projected, approximately 4.5 students would now be charged resident tuition rather than non-resident tuition rates.

- In FY 2021, the average non-resident graduate-level tuition rate in the MUS is equal to \$23,075. The average resident graduate-level tuition is \$6,138. The difference represents the fiscal impact for FY 2021 (\$23,075 - \$6,138 = \$16,937)
- A 3% annual tuition rate increase is applied to estimate the impact in future years.

	Non-Resident Tuition Rate	Resident Tuition Rate	Fiscal Impact per FTE	4.5 FTE Each Year
FY21	23,075	6,138	16,937	76,217
FY22	23,767	6,322	17,445	78,503
FY23	24,480	6,512	17,968	80,858
FY24	25,215	6,322	18,893	85,016
FY25	25,971	6,323	19,648	88,416

- This bill would impact tuition revenue.


	<u>FY 2022 Difference</u>	<u>FY 2023 Difference</u>	<u>FY 2024 Difference</u>	<u>FY 2025 Difference</u>
<u>Expenditures:</u>				
Transfers	\$0	\$0	\$0	\$0
TOTAL Expenditures	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0
TOTAL Funding of Exp.	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
Other	(\$78,503)	(\$80,858)	(\$85,016)	(\$88,416)
TOTAL Revenues	<u>(\$78,503)</u>	<u>(\$80,858)</u>	<u>(\$85,016)</u>	<u>(\$88,416)</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$0	\$0	\$0
Other	(\$78,503)	(\$80,858)	(\$85,016)	(\$88,416)

Technical Notes:

- In Section 1(8) graduate should replace postgraduate or be included as one of the types of degrees.

Long-Term Impacts:

- Tuition decreases result in a decrease of current unrestricted funds, which could cause an increase to the state share percentage of current unrestricted funds in future biennia.


2/22/21
KA
2/18/21

Sponsor's Initials Date Budget Director's Initials Date