



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2019 Biennium

Bill # HB0185

Title: Establish grant program to eliminate tuition for certain postsecondary programs

Primary Sponsor: Morigeau, Shane A

Status: As Amended

- 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 2018 Difference</u>	<u>FY 2019 Difference</u>	<u>FY 2020 Difference</u>	<u>FY 2021 Difference</u>
Expenditures:				
General Fund	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>(\$2,000,000)</u>	<u>(\$2,000,000)</u>	<u>(\$2,000,000)</u>	<u>(\$2,000,000)</u>

Description of fiscal impact: The legislation proposes to provide grants to students enrolled in a Montana community college or tribal college with an appropriation of \$1. This fiscal note identifies the actual costs of implementing the requirements of the legislation.

FISCAL ANALYSIS

Assumptions:

- Based upon the criteria outlined in Section 3 of the bill, there would be approximately 4,550 students eligible to receive a Montana promise grant.
- The average student at Montana community colleges or tribal colleges is enrolled with 12 credits.
- Section 4 of the HB 185 states that Montana promise grants must be awarded based on each term for which a student is eligible. The amount of the grant must be the greater of \$75 per enrolled credit and the amount of tuition remaining after other sources have reduced the tuition amount.
- If all students who were eligible to receive a Montana promise grant were awarded a Montana promise grant, the actual cost is estimated to be \$8,190,000 annually. (4,550 students x 12 credit hours x \$75 per credit x 2 semesters = \$8,190,000.)
- The remainder of tuition unpaid at this time (Section 3 (4)) is unknown and cannot be included in the assumption above.
- Section 3 (5) limits grants awarded to \$2 million per year or any lesser amount appropriated by the legislature. The section provides criteria for prioritization of grants based upon funding.

7. The bill currently provides an appropriation of \$1 for the 2019 biennium. It is assumed the remainder of funding would need to be appropriated in HB 2.

	<u>FY 2018</u> <u>Difference</u>	<u>FY 2019</u> <u>Difference</u>	<u>FY 2020</u> <u>Difference</u>	<u>FY 2021</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Grants	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
TOTAL Expenditures	<u>\$2,000,000</u>	<u>\$2,000,000</u>	<u>\$2,000,000</u>	<u>\$2,000,000</u>
<u>Funding of Expenditures:</u>				
General Fund (01) (in bill)	\$1	\$1	\$1	\$1
General Fund (01) (HB 2)	\$1,999,999	\$1,999,999	\$1,999,999	\$1,999,999
TOTAL Funding of Exp.	<u>\$2,000,000</u>	<u>\$2,000,000</u>	<u>\$2,000,000</u>	<u>\$2,000,000</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
TOTAL Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$2,000,000)	(\$2,000,000)	(\$2,000,000)	(\$2,000,000)

Sponsor's Initials

Date

Budget Director's Initials

Date