



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: **HB0282: Revise laws related to tuition waiver laws for American Indian students**

Primary Sponsor: **Tyson Running Wolf**

Status: **As Introduced**

☐ Included in the Executive Budget

☐ Needs to be included in HB 2

☐ Significant Local Gov Impact

☐ Significant Long-Term Impacts

☐ Technical Concerns

☐ Dedicated Revenue Form Attached

FISCAL SUMMARY

| | <u>FY 2026 Difference</u> | <u>FY 2027 Difference</u> | <u>FY 2028 Difference</u> | <u>FY 2029 Difference</u> |
|------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Expenditures | | | | |
| Other | \$0 | \$0 | \$0 | \$0 |
| Revenues | | | | |
| Other | \$0 | \$0 | \$0 | \$0 |
| Current Unrestricted Revenue | (\$5,301,962) | \$5,515,247 | \$5,735,438 | \$5,962,746 |
| Net Impact | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| General Fund Balance | | | | |

Description of fiscal impact

HB 282 would change the tuition waiver eligibility requirements for American Indian students. The change in eligibility requirements would result in a reduction to the amount of tuition revenue collected within the Montana University System.

FISCAL ANALYSIS

Assumptions

Commissioner of Higher Education

1. During Fall 2024, the MUS had 2,143 resident students that indicated they were American Indian. Of the 2,143 resident students, 770 received the American Indian Waiver.
2. Under the revised eligibility criteria in HB 282, it is assumed the remainder of the American Indian resident students (1,373) would be eligible for the tuition waiver.
3. Over the past five years American Indian enrollment has increased on average 3% and resident American Indian Waivers awarded have increased on average 1%. The table below illustrates the increase in estimated enrollment and additional students estimated to receive the American Indian Waiver.

| Estimated American Indian Waiver Student Enrollment | | | | | |
|---|---------|---------|---------|---------|---------|
| | Fall 25 | Fall 26 | Fall 27 | Fall 28 | Fall 29 |
| Resident American Indian Students | 2,207 | 2,273 | 2,340 | 2,410 | 2,482 |
| American Indian Waiver Students | 778 | 785 | 793 | 801 | 809 |
| Additional Students Estimated to Receive Waiver | 1,429 | 1,487 | 1,547 | 1,609 | 1,672 |

4. The average amount of tuition waived when a student receives a waiver is \$3,565.
5. If all resident American Indian students receive a tuition waiver, under the parameters of HB 282, the estimated increase of waivers would result in a decrease in net tuition revenue for the Montana University System. Tuition is accounted for in the Current Unrestricted Fund type.
6. Typically, state funding is allocated as a percentage of total funding in the Current Unrestricted Fund type, so there could be a reduction in state funding based upon a reduction in tuition revenue. However, this is not statutory and would be determined by the legislature.

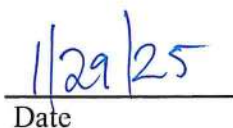
Fiscal Analysis Table

Commissioner of Higher Education

| | <u>FY 2026</u> <u>Difference</u> | <u>FY 2027</u> <u>Difference</u> | <u>FY 2028</u> <u>Difference</u> | <u>FY 2029</u> <u>Difference</u> |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| <u>Fiscal Impact</u> | | | | |
| <u>Expenditures</u> | | | | |
| <u>Funding of Expenditures</u> | | | | |
| <u>Revenues</u> | | | | |
| Other | \$0 | \$0 | \$0 | \$0 |
| Current Unrestricted Revenue | (\$5,301,962) | \$5,515,247 | \$5,735,438 | \$5,962,746 |
| TOTAL Revenues | (\$5,301,962) | \$5,515,247 | \$5,735,438 | \$5,962,746 |
| <u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</u> | | | | |
| Other | \$0 | \$0 | \$0 | \$0 |
| Current Unrestricted Revenue | (\$5,301,962) | \$5,515,247 | \$5,735,438 | \$5,962,746 |



Sponsor's Initials



Date



Budget Director's Initials

1/29/2025

Date