FISCAL NOTE

Bill #:	HB0265	**Title:**	Tuition free classes for certain high school students at vocational colleges
Primary Sponsor:	Tom Facey	**Status:**	As Amended, House Education Committee

Sponsor signature Date

Chuck Swysgood, Budget Director Date

Fiscal Summary

	FY2002 Difference	FY2003 Difference
Net Impact on General Fund Balance:	**$0**	**$0**

Yes	No		Yes	No	
	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:

Office of Public Instruction

1. Section 1 of HB 265 requires that the per-credit cost of tuition at a postsecondary, for 11th and 12th grade students who participate in the "running start" program, will be determined by the interlocal agreement between the high school district or K-12 district and the postsecondary institution in which the student is enrolled.
2. School districts that choose to participate in the running start program, will be paid by the high school district or K-12 district in which the student is enrolled.

Montana University System (MUS)

1. The amended bill language requires districts to enter into interlocal agreements with the postsecondary institutions. Included in these interlocal agreements will be the determination of costs and drop/add procedures for the targeted high school students.
2. Since data is not available on the number of students who may participate, the fiscal impact cannot be calculated. It is assumed these high school students will take a maximum of three credits per semester.
3. These high school students will be included in funding calculations for state support based on credit hours generated since these students will be utilizing university resources as Montana resident students. The state support (marginal cost) calculation is $1,914 per full time equivalent (FTE). Resident FTE projections for the 2003 biennium have been set by the education subcommittee. The MUS does not receive additional state support if they exceed resident student projections.