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MEMORANDUM

DATE: April 24, 2003

TO: Subcommittee on Public Safety, Natural Resources, and Transportation

FROM: Mindy Braun, Education Program Analyst
Fiscal Analysis Division

SUBJECT: Budget Account 3653 – National Guard Benefits: Estimates for Increasing the Percentage of Tuition Reimbursement for National Guardsmen

The National Guard Benefits Program (B/A 3653) was established to encourage recruitment and retention of active members of the National Guard by providing guardsmen with a funding source for education tuition reimbursement. While the Guard is authorized to reimburse up to 100 percent of qualifying tuition reimbursement requests, the agency has indicated that the reimbursement rate is at approximately 44 percent (based upon Fall 2002 actual expenditures).

During the April 17, 2003 hearing on the National Guard Benefits Program, the budget was closed by the Assembly Subcommittee as Governor Recommended. The Governor's budget recommends state General Fund in the amount of \$92,572 in each fiscal year of the 2003-05 biennium to continue the program; this amount includes a 3 percent reduction of \$2,864 in each fiscal year. The Senate Subcommittee did not close the budget and requested information concerning the amount of additional funding that would be required to increase the percent of tuition reimbursement for National Guardsmen to at least a 50 percent level. **In response to this request, the Office of the Military has provided information that indicates additional funding in the amount of \$10,000 in each fiscal year of the 2003-05 biennium would increase the tuition reimbursement rate by 5 percent, or to 49 percent (see attached information as provided by the Office of the Military). Based upon this information, it appears that an additional appropriation of \$12,000 in each fiscal year of the 2003-05 biennium would achieve the 50 percent tuition reimbursement rate. This would increase total Governor recommended funding for the National Guard Benefits Program from \$92,572 in each fiscal year of the 2003-05 biennium to \$104,572.**

JOINT SUBCOMMITTEE
DATE: 4-25-03 ROOM 3137 EXHIBIT C
SUBMITTED BY: Fiscal Analysis Division

Subcommittee on Public Safety, Natural Resources, and Transportation

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NOTE: Senate Bill 306, as amended and passed by the Committee on Government Affairs, would authorize the Board of Regents to grant a waiver of tuition, registration fees and laboratory fees for recruits and active members of the Nevada National Guard. Eligibility for the waiver would include residency in the state of Nevada, membership in good standing with the National Guard, and achievement of a minimum 2.0 grade-point average. **It appears that if Senate Bill 306 were passed by the 2003 Legislature, the continued need for Budget Account 3653 would be eliminated. The Subcommittee may wish to ask the Adjutant General for comments regarding the affect of this legislation on the National Guard and this budget account.**

National Guard Benefits – BA 3653
Estimates for Increase

The following information is provided as requested by Mindy Braun, our LCB Program Analyst. This data is meant to explain the process used to arrive at an estimate of how many additional dollars would it take to increase our payments to the students by some specific number of percentage points.

In an effort to compare like student loads and credit hour loads and use the most recent data the figures reflect the Fall Semesters of calendar years 2001 and 2002. Fall semesters normally represent the largest number of enrolled students and the largest credit hour loads.

Fall 2001 Actual funds expended:

	Total Costs	Percentage	Payment
Tier I - Initial Degrees – AA/BA	\$83,526	48%	\$40,092
Tier II - Advanced Degrees – MA	6,110	45%	2,750
Tier III – Doctorial Degrees	<u>10,152</u>	38%	<u>3,908</u>
Totals	\$99,788	47%	\$46,750
Estimated Increase of \$5,000		52%	\$51,750
Estimated Increase of \$10,000		57%	\$56,750
Estimated Increase of \$15,000		62%	\$61,750

Fall 2002 Actual funds expended:

	Total Costs	Percentage	Payment
Tier I - Initial Degrees – AA/BA	\$88,704	46%	\$40,804
Tier II - Advanced Degrees – MA	6,956	43%	2,991
Tier III – Doctorial Degrees	<u>8,853</u>	28%	<u>2,479</u>
Totals	\$104,513	44%	\$46,274
Estimated Increase of \$5,000		49%	\$51,274
Estimated Increase of \$10,000		54%	\$56,274
Estimated Increase of \$15,000		59%	\$61,274

By the two examples above it is obvious that by increasing the funds available for payment by \$5,000 per semester we could increase the percentage of support to the student by 5%. Please note that we expend approximately one half of our budget per semester. Therefore, for an entire year we would require an increase of \$10,000 to increase our percent of support by 5% for both semesters.

C-3063