

FISCAL NOTE
Requested by Legislative Council
01/18/2021

Bill/Resolution No.: HB 1430

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2019-2021 Biennium		2021-2023 Biennium		2023-2025 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$700,000		\$3,000,000	
Appropriations			\$700,000		\$3,000,000	

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2019-2021 Biennium	2021-2023 Biennium	2023-2025 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

HB1430 enables students to qualify for both the academic & CTE scholarships when currently only one or the other can be received. For those students, the annual award would increase from \$1,500 to \$3,000, and the lifetime cap would increase from \$6,000 to \$12,000.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Under current law, students can earn either the North Dakota academic scholarship or the North Dakota career & technical education (CTE) scholarship but cannot receive both. The annual scholarship award is \$1,500 per year, with a lifetime cap of \$6,000. Section 1 of the bill provides that students who meet all eligibility criteria could receive both scholarships, which would increase their annual award to \$3,000 per year and the lifetime cap to \$12,000.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

The Department of Public Instruction estimates approximately 455 students per year would qualify for both scholarships. The first eligible students would graduate in the spring of 2022 and receive their first payments in the 2022-23 academic year. Estimated cost increase for the 2021-23 biennium is \$670,000, which covers only one year of payments (FY2022-23).

Program costs would increase each year to cover both newly eligible students and continuing paying existing awards. As a result, costs would increase to \$3,000,000 for the 2023-25 biennium and then again to \$4,500,000 in

the 2025-27 biennium.

The NDUS Scholarship Management System used to administer the program would require significant updates at an estimated cost of \$30,000.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

For the 2021-23 biennium, a \$700,000 general fund ongoing appropriation is required to cover the estimated program & technology expenditures proposed in HB1430. This amount is not included in the NDUS base budget or the Executive Budget Recommendation.

The ongoing general fund appropriation would need to be \$3,000,000 for the 2023-25 biennium and \$4,500,000 for the 2025-27 biennium.

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