



Engrossed HB1430

Senate Education Committee

March 10, 2021

Brenda Zastoupil, Director of Financial Aid, NDUS

701.328.2906 | brenda.zastoupil@ndus.edu

Chair Schaible and members of the Senate Education Committee, my name is Brenda Zastoupil, and I serve as the Financial Aid Director of the North Dakota University System (NDUS). I am here to provide information regarding the fiscal note for Engrossed HB1430.

The NDUS administers the payments for students who earn the ND Academic or ND CTE Scholarship in high school. Scholarship recipients may utilize either scholarship at any of the public, private or tribal colleges in the state. Students qualify for \$750 per semester, or \$500 per quarter, when enrolled full-time and may access the award for up to 6 years following high school graduation. Maximum award value is \$6,000. Student can qualify in summer terms and for graduate or professional studies.

Engrossed HB1430 increases the per semester payments from \$750 to \$1,500 if the student is attending a two-year public 2 year and tribal colleges in the state. Additionally, students can also receive the payment if they are enrolled at least half-time rather than just full time. Degree progress requirements are eliminated. The \$6,000 maximum award amount and minimum 2.75 GPA are unchanged. All changes would be effective for students graduating after December 2021.

Historically, 385 new scholarship recipients per year attend two-year public or tribal institutions immediately following high school. Of these, 85% continue at the same school for their second year. In past years, if these students did not then transfer to a four-year school, they would have received a total of \$3,000 not the maximum award of \$6,000. Under Engrossed HB1430 these students will now receive the full \$6,000 award in two years. The resulting program cost increase is estimated at **\$577,000 per cohort per year.**

Changes in the minimum enrollment status (reduced to half time) and elimination of the degree progress requirements also increase program costs. Over the past 4 years, there were about 700 instances (duplicated students) where no payment was issued due to full time enrollment or degree progress requirements not being met. Payments would now be issued to these students at a **cost of \$163,000 per cohort per year.**

The Scholarship Management System would require significant modifications to reflect the different requirements for both pre- and post-December 2021 graduates. **One-time technology costs are estimated at \$30,000.**

To summarize, total expenditures would increase by \$770,000 for the 2021-23 biennium. The 2023-25 and 2025-27 bienniums would increase by \$3.0 million and \$4.2 million, respectively. The NDUS needs a general fund appropriation increase to cover these costs.

This concludes my testimony, and I will stand for questions from the committee.