

2019 SENATE EDUCATION COMMITTEE

SB 2202

2019 SENATE STANDING COMMITTEE MINUTES

Education Committee
Sheyenne River Room, State Capitol

SB 2202
1/30/2019
31778

- Subcommittee
 Conference Committee

Committee Clerk: Lynn Wolf

Explanation or reason for introduction of bill/resolution:

A bill relating to relating to criteria governing the award procedures under the student financial assistance program.

Minutes:

Att. #1-Sorvaag; Att. #2-Zastoupil

Chairman Schaible: we'll open the hearing on SB 2202. Senator Sorvaag.

Senator Sorvaag, Dist 45: See Att. # 1.

Brenda Zastoupil, Director of Financial Aid, ND University System: See Att. #2.

Chairman Schaible: Questions.

Senator Davison: I have a series of questions – I am just trying to provide some clarity. I was wondering why there isn't a fiscal note on the bill. We get all the applications in, there is a due date ahead of time and so, we take a fixed number and divide by the number of students and we are capped at a certain amount. Is that what the 200 to 300 less is?

Brenda Zastoupil: We took the 2017-18 students. Those that receive the full amount – the 93% still had the full amount. The other students were prorated. Those 7%, those were the ones we transferred over into the full amount. We ended up with a larger net cost in the end. If we were to have the current level of funding at the \$21.9 million, it would take us to about – we'd run out of funding at 6200 students per year.

Senator Davison: We appropriate General Fund dollars for this grant. That number is \$21.9 million a biennium.

Brenda Zastoupil: Correct.

Senator Davison: We can't go past that number. That is what you are saying, that is where the adjustment or 200. So, 200-300 would get – not get it at all, we don't adjust by reducing it to everybody. We adjust it by cutting it off at a certain level.

Brenda Zastoupil: That is in statute right now. We have \$975 per semester or \$650 per quarter, so it is set, we don't adjust.

Senator Davison: Is it currently considered like the last dollar is where this grant is used. Is that how it looks at – you said you take the – so no matter what you are going to take the Pell grant to consideration. But this money can be used not for tuition, but it can be used for housing or anything, so typically, the Pell grant doesn't take everything, and that is why this Pell grant wouldn't affect this amount – it is only the grant and the scholarships?

Brenda Zastoupil: The current formula takes into consideration all other scholarships and grants. So, we look at total cost of attendance, minus from the FAFSA that estimated family contribution which is in statute for us to take that into consideration. We take off the Pell grant and then a student is left with unmet need. That is where it goes to the college at that point if the student shows unmet need and the college does the federal methodology – which they do with other federal awards, as well and they take off all the other scholarships and grants that can potentially affect that unmet need calculation to get to the amount of the end grant.

Senator Davison: So, potentially, this bill, if we adopt this bill, this person, the constituent, there is a possibility that person could get nothing – depending on where they came in on the list if we don't increase the \$543,000 to cover the additional needs that could be identified by changing the formula. If they were down towards the bottom, they would have gotten zero instead of getting what they got. That possibility is there is all I am saying.

Brenda Zastoupil: That is correct. As I indicated, 2017-18 we had 6000 students. The average over the five years has been the 6500, so, even if we don't make that change to the funding, we are landing about in the middle of that mark where we normally hit. So, that is the potential, also, based on a need calculation, most likely those individuals that won't show that unmet need, are going to fall off. We don't have a cutoff date for the awarding, like some states do. We award as of a certain date and then – until funds are expended.

Senator Davison: When was the last time we increased the \$975 per semester, \$650 per quarter? Has it been in the last five-years, last 10-years?

Brenda Zastoupil: I do have that information – the current amount was changed in the 2015 legislative assembly. We haven't seen an adjustment since the 15-16 academic year.

Senator Davison: Would you adjust the whole appropriation – up to \$21.9 or would you just adjust the amount.

Brenda Zastoupil: For the ND state grant, the appropriation was adjusted significantly in 2009-11 from \$5.8 million to \$19 million. And then, it stayed that through 11-13 and then in the 13 session, as well as in the 15 session also saw another bump up to \$23.8 and then session with our cuts that is where it came down to the \$21.9 million and at that time we also lost 5 million – we have had carryover. There is still only be so many students that we can fund with unmet needs according to the calculations. We have had carryover and at this \$21.9 level we will be using that fully in a biennium.

Senator Rust: Could you email that history to us?

Brenda Zastoupil: Absolutely, it is a total document on all of our scholarships and grants programs. It will show that history for all of them.

Senator Rust: This committed talks about winners and losers, quite often. Especially in funding – this bill kind of does that – does it not because what happens is if you change this thing from counting – not counting other monies, that means that person is a winner at the top of the scale, but there are other people at the bottom end that become losers because they don't get any money – is that correct?

Brenda Zastoupil: Are you talking about the overall – if someone has unmet need and we are out of funding?

Senator Rust: I am talking about individual students are concerned you know, if you give out money and now you say if they get other grants it doesn't get subtracted, so this person actually has more dollars and this person here gets no dollars or maybe very little dollars, so it does create winners and losers.

Brenda Zastoupil: In a sense yes, however, it is a small percentage. As I had indicated 93% still get the full amount that aren't adjusted at all. Now that 7%, too, I should say is not necessarily just because of – they had other scholarships and grants. We have a lifetime limit as I had indicated of the eight semesters or 12 quarters. They might have just a little bit left – they have just \$500 left and that was information that we couldn't have extracted from the data to see why it was left. So, it might have been a lifetime limit, too, on that 7%, so that number is beginning to shrink more.

Senator Rust: But, if I am one in that 7% area, it still can be a case of winners and losers.

Chairman Schaible: Part of that is if we have a student that is working hard and getting scholarships and going out and doing some work, they are also getting penalized because of that – would they not be?

Brenda Zastoupil: Yeah, exactly, if you look that side of the winners and losers as well. The federal methodology is common across the nation. Maryland in their last session was the first state to undertake where they don't displace those scholarships – outside scholarships and they made that part of their law. The states are starting to think about that and it is certainly a topic not just here, but, obviously across the nation.

Senator Davison: This committee would have to decide by Monday, if we thought this was a good bill and we wanted to add the \$543 thousand dollars into the bill and send it to appropriations, but, if we did that, is what I am hearing is then this really wouldn't – it wouldn't have an impact on anybody. It would just have a positive impact to incentivize going out and getting additional scholarships and such and still meeting the needs of the number of people that are moving forward. With that additional dollars?

Brenda Zastoupil: That would be correct, if that is what the committee is wishing to do to add that extra funding, we'd certainly take that to award more students. We think it is a good

bill as it stands with making that change and providing the opportunities who have sought out other scholarships and grants and work for those to maintain those awards, as well.

Chairman Schaible: Other testimony in favor of the bill. Agency testimony. Any testimony in opposition. Seeing no other testimony, we will close the hearing on SB 2202.

2019 SENATE STANDING COMMITTEE MINUTES

Education Committee
Sheyenne River Room, State Capitol

SB 2202
2/5/2019
32200

- Subcommittee
 Conference Committee

Committee Clerk: Lynn Wolf

Explanation or reason for introduction of bill/resolution:

A bill relating to relating to criteria governing the award procedures under the student financial assistance program.

Minutes:

No Attachments

Chairman Schaible: We are looking at SB 2202.

Senator Rust: I have been looking at this bill. I understand you have somebody who is ambitious, goes out and gets scholarships and then ends up having to forgo them because he is beyond the need. On the other side of that coin, the whole idea of the scholarship is for financial need. If this person has met his, then that might help another person or two to meet theirs. I am a little torn about this – I like the industriousness of people going out and working hard to get scholarships, at the same time I know there is a need for somebody else who may not have the same opportunity because some larger and medium sized schools have good counselors that help out. Smaller schools probably have a traveling counselor and they don't have the same opportunities to look for those scholarships. You can't really classify them as not being very ambitious, they just don't have the same opportunities.

Chairman Schaible: I spoke with the bill's sponsor about the effects financially with the \$500,000 – I think that was the amount, or somewhere near that – that would be effected by this action. He didn't have any taste to adding the money to the bill to make that whole, but I don't know if I would be in favor of that either because I kind of agree with Senator Rust – the whole idea of this came from that very hard working kids that are working – not only with their grades and scholarships, but also going out and looking for money. This is a needs based and they were already classified as needs based scholarships and kids and then when they did some harder work, this money was taken away from that. I kind of like that – it a kid is going to work for it, they get rewarded for it. I know that there are some schools with better facilities than others, but I don't think that with the internet, with our SLEDS program and dashboard and all of our scholarship awards program that there aren't avenues for all kids to find out what is available, if they go look for it. They have to take some initiative and I think the parents need to take some initiative also, - to find out what is available. You can't just rely on someone else and hope they are going to get it. I am in favor of the bill as it is and if it

goes forward as is, there would be an opportunity for the House to see if they want to add appropriations to make those whole.

(3:42) **Senator Davison:** Motion to Do Pass on SB 2202.

Senator Fors: Second.

Senator Oban: In looking at Senator Sorvaag's testimony, the kid he is talking about earned a scholarship of \$1853. Then got a scholarship of \$1500, so his aid was reduced to \$353. Then he got a private scholarship of \$500, which then wiped out the \$353. If this aid is made – I mean I am a little bit with Senator Rust. Then he doesn't need any more. Would the bill then allow him to keep that \$1853?

Chairman Schaible: My understanding is yes.

Senator Oban: That is potentially, \$1853 that is not available –

Senator Rust: He should at least be able to get the \$353.

Chairman Schaible: That is where the \$500,000 comes in. He would get both scholarships. He'd get all three scholarships at \$3853.

Senator Davison: If I remember right correctly, this bill could actually work against Ron's counterpart, depending on where that person come in on the income level. There is only so many dollars, so they are going to stop somewhere. Depending on where his constituent is at, it could have had a negative impact on him, too.

Chairman Schaible: First of all, if you – the \$1853 is the first one they look at and that is based on need, so you either get that or you don't. The other scholarships don't look at that, but since they look at the \$1853 first, and then get the other one second, that is what deducts it from the current status. If they were kids of means, they wouldn't qualify for the ND state grant. – The \$1853. If they weren't qualified as financial needy, they wouldn't qualify for that anyway – which they still would for the other ones. Say there are two more scholarships on here, there is no other deductions that happen to that. You are talking about our neediest kids that are looking for scholarships.

Senator Davison: I am going to give you a scenario of what I am talking about. This grant is based on need. If the people above this person and the constituent of Senator Sorvaag is 90th out of 100, we are assuming he is getting this and we are making some assumptions. If the people above him, if they are allowed to take additional scholarships and their grant money isn't taken away, it will push Senator Sorvaag's client past – down – he has a chance to less likely because they are not reducing the people above him's amount with the scholarships they may have gotten. Does that make sense?

Chairman Schaible: It does, but let's put it this way, so you have a kid that is –

Senator Davison: I mean I'm not – I don't see that there is anything wrong with that, I am just saying that he may not have it exactly right that this is going to help his constituent depending on the scenario.

Chairman Schaible: Well, it would help his constituent, but because – like I said, the first thing they look at is based on need. So they get this scholarship. Say you have two kids that get this scenario that we have before us in his testimony and say one other student that is not qualified for this ND State Grant. Now let's say you add a couple more scholarships on to this – let's just say a \$1000 each, so it would be \$2000 more. Now, this scenario that we got in his testimony of say Sorvaag's constituent, he gets these first two other scholarships of \$1500 for the technical scholarship and a private scholarship of \$500. This student only gets \$353 where the other one is going was reduced to – so she gets \$2353 and then if you add the other \$2000 scholarship, she is going to lose the \$353, so that is what \$1647, where the other one just keeps adding on to what they get – the \$1500, the \$500, and then the \$2000 on to that so they would actually net more.

Senator Rust: The way I read this is he earned a \$1853, then he got a \$1500, so that reduces it to \$353. Then he gets a \$500, which means he loses the \$353. So, he doesn't get any of the \$1853, because he got \$2000 in the other grants. That is the way I read it. Now, I want to direct your attention to the testimony to the testimony from Brenda Zastoupil. She says, 93% of ND State grant recipients already receive the highest award possible based on their enrollment status. The proposed change would provide opportunity for the remaining students to retain a greater portion of the need based grant, however, as more funds will be allocated to students with greater need, the total number of awards for students with the lowest need is determined by federal methodology may decrease by 200-300 per year.

Senator Davison: That was my example.

Chairman Schaible: I believe that is the reason he – it says right next to approximately \$543,000, because now we have taken that much more out of the pot and so there is that much less available.

Senator Davison: At the top –

Chairman Schaible: Which are based on the greatest need.

Senator Davison: I am willing to move this bill along, but I appreciate Senator Sorvaag bringing it forward, but depending on where his constituent was in the pecking order, it may not solve his problem, because by the time they got to his constituent, he may be on the bottom of the 200-300 that may get a decrease. He would still get those other scholarships, which may be more beneficial, but –

Chairman Schaible: If he gets only \$500 of needs based, it is not as drastic of effect.

Senator Davison: That is how I read it anyway without the appropriation, and I am not sure I am willing to – well, we are a little late for appropriation, but we can –

Chairman Schaible: That is option you have – either pass the bill or kill the bill. If you move the bill forward, you are going to get at least one more shot at – seeing if they want to adjust the appropriations for it.

Senator Oban: My thought was, I don't know if there were students that would qualify – if the list is so long that we are even getting to some of them, anyway.

Chairman Schaible: It says right now we are handling about 93% of the ones that apply.

Senator Oban: So there are still 7% who aren't getting any at all –

Chairman Schaible: Yes, based on certain rates, too.

Senator Davison: So the neediest students are going to get more money. But you are taking off the bottom of what I will call still needy, but we are raising the bar of neediness if that is a way to put it. You may get dropped off the bottom a little bit for that ND State Grant without the funding.

Chairman Schaible: But I contest that those out of the bottom, that 200-300 students, they have opportunities for these other scholarships, also. Quite frankly, the state – especially the career and tech avenue is available for everybody that applies.

Senator Oban: Sure, but those are also academic based. So, needs based doesn't mean that you have the ACT score, the grades – I mean –

Chairman Schaible: The academic side – right, would be tougher, but they would have the same opportunities in the career and tech side.

Senator Oban: If that is something they want to go into –

Chairman Schaible: Exactly, like I am saying – I feel like we are hindering the ones that are working the hardest – especially with the neediest people.

Senator Oban: I guess I might not qualify with working the hardest – you might be a super hard worker and get really crappy grades and still be financially needy and not – then have access to the same opportunities that a kid that has higher grades, higher ACT scores –

Chairman Schaible: But if they are needs based, they are going to get that anyway except for – if we deplete the pot somewhat that we lower that number.

Senator Oban: I guess I would be careful that this about kids that work harder than other kids, because if very well might not be.

Chairman Schaible: I didn't mean not be able to get the grades. I am taking a kid that basically academically are the same – the only difference is their financial need and it seems that we are penalizing one that needs it the most by deducting those other scholarships. Maybe I am looking at it wrong, but that is just the way it seems to me.

Senator Davison: No, that is the right way to look at it. The students that need it the most are going to get additional dollars are going to get additional dollars at the end of the day with this bill. I don't know what the gap is, we don't have a sheet of paper to say what -

Chairman Schaible: Right, but say in this case, \$1853 is what this student got as a needs based, so they have to go out and earn over \$1853 in scholarships to receive more. Because it is all going to be deducted – so they need to raise more than \$1853 in additional scholarships just to get another dollar.

Senator Davison: In the current formula.

Chairman Schaible: Yes, in the current formula. It seems we are really de-incentivizing these kids to apply for other scholarships because they have to get so much more just to gain additional dollars.

Senator Rust: So, if someone got a \$5000 scholarship, they could still get the \$1853. There are some out there like that.

Chairman Schaible: It is too late for appropriations stuff, but if you think it is worth continuing the discussion, I would suggest passing, if not the discussion, then kill it. I would venture to say that if it does go through, we will see it in a conference committee at least.

Roll Call Vote: Yeas: 7 Nays: 0; Absent: 0.

Motion Carries.

Schaible will carry the bill.

REPORT OF STANDING COMMITTEE

SB 2202: Education Committee (Sen. Schaible, Chairman) recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2202 was placed on the Eleventh order on the calendar.

2019 HOUSE EDUCATION

SB 2202

2019 HOUSE STANDING COMMITTEE MINUTES

Education Committee
Coteau A Room, State Capitol

SB 2202
3/11/2019
33518

- Subcommittee
 Conference Committee

Committee Clerk: Bev Monroe

Explanation or reason for introduction of bill/resolution:

A bill relating to criteria governing the award procedures under the student financial assistance program

Minutes:

Attachment 1, 2

Chairman Owens: Opened the hearing on SB 2202.

Sen. Ronald Sorvaag: (Attachment 1)

Chairman Owens: Any questions from the committee?

Rep. Pat D. Heinert: If a student were to receive more than what an academic year's actual fees were, what would we do with the excess money?

Sen. Ronald Sorvaag: Once the grant is established, the rest have nothing. I presume it would depend on the scholarship and whether it carries over to another year. The purpose is not to affect their financial need, but that question never came up.

Chairman Owens: Any further questions. Others in support?

Brenda Zastoupil, Director of Financial Aid, NDUS: (Attachment 2)

Chairman Owens: Any questions from the committee? The cost of attendance includes what?

Brenda Zastoupil: Tuition fees, room and board, books, supplies, transportation and miscellaneous educational expenses. What we're building is what it would take you to attend college for nine full months and that cost of attendance is what is used to determine how much the PAL grants, supplemental grants, student loans, whatever the student might need to cover their full cost of an education. This state grant will cover a portion of that cost of attendance. It can apply to any of the tuition fees, room and board, etc.

Chairman Owens: I didn't know if it had changed to include everything necessary to go to school. If you happen to piece together more money than you need for that semester or that year, that extra money goes where?

Brenda Zastoupil: Something has to be offset at that point. Whether or not it's the state grant. Sometimes there are other grants and scholarships that require need based calculation. It might be a private scholarship that determines that. The supplemental grants can't go over unmet need. Those are the federal supplemental educational opportunity grants. Those are the types of grants that would be adjusted. An institution would determine possibly work study, that's also a need based federal program, supplemental grants and in going down the line in the order that would most benefit the student and still staying within the cost of attendance.

Chairman Owens: Before PAL grants were called PAL, it was called BEOG. With the BEOG grant, you have the grant at the university and it paid for everything (books, tuition, fees, etc.) and at the end of the semester/quarter, if there was anything left over a check was written and provided to the student. Is that still the case with these grants?

Brenda Zastoupil: That is the case. After the direct costs at the institution are covered, that excess helps to pay for other fees associated with their education.

Chairman Owens: Any further questions of the committee? Others in support of SB 2202? Anyone in opposition? Any neutral testimony? Seeing none, we'll close the hearing.

2019 HOUSE STANDING COMMITTEE MINUTES

Education Committee
Coteau A Room, State Capitol

SB 2202
3/11/2019
33524
13:20-16:11

- Subcommittee
 Conference Committee

Committee Clerk: Bev Monroe

Explanation or reason for introduction of bill/resolution:

A bill relating to criteria governing the award procedures under the student financial assistance program

Minutes:

Chairman Owens: Opened committee work on SB 2202.

Representative Denton Zubke: I'll move a **Do Pass** on SB 2202.

Rep. Mary Johnson: **Seconded.**

Chairman Owens: Any further discussion?

A **Roll Call Vote** was taken: **Yes 13, No 0, Absent 1.** A **Do Pass** carried. Rep. **M. Johnson** will carry SB 2202.

Date: 3-11-19
Roll Call Vote #: 7

**2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2202**

House Education Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
Other Actions: Reconsider _____

Motion Made By Rep. D. Zubke Seconded By Rep. M. Johnson

Representatives	Yes	No	Representatives	Yes	No
Chairman M. Owens	✓		Rep. Guggisberg	✓	
V. Chair. Schreiber-Beck	✓		Rep. Hager	✓	
Rep. Heinert	✓				
Rep. Hoverson	✓				
Rep. D. Johnson	✓				
Rep. M. Johnson	✓				
Rep. Johnston	✓				
Rep. Longmuir	✓				
Rep. Marschall	A				
Rep. Pyle	✓				
Rep. Strinden	✓				
Rep. Zubke	✓				

Total (Yes) 13 No 0

Absent 1

Floor Assignment Rep. M. Johnson

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2202: Education Committee (Rep. Owens, Chairman) recommends **DO PASS**
(13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2202 was placed on the
Fourteenth order on the calendar.

2019 TESTIMONY

SB 2202



NORTH DAKOTA SENATE

STATE CAPITOL
600 EAST BOULEVARD
BISMARCK, ND 58505-0360



SB 2202
1-30-19
A#:#1
p1081

Senator Ronald Sorvaag

District 45
3402 Birdie Street North
Fargo, ND 58102-1201

701-361-2156
rsorvaag@nd.gov

COMMITTEES:
Appropriations

January 30, 2019

Chairman Schaible and Members of the Senate Education Committee,

SB2202 came about because of an issue one of my constituent's sons financial aid.

He earned a North Dakota State Grant of \$1853 based on financial need. He later earned a ND Career and Technical Scholarship of \$1,500 on good grades and ACT score.

With earning this scholarship his aid was reduced to \$353. Later he applied for a private scholarship and was awarded \$500 and with award he lost the remaining portion of his grant money.

SB2202 is being introduced to change this procedure. Once financial aid is established on need, it would not allow the aid to be reduced, if the student secures scholarships and grants from other resources.

This will encourage students to work hard to find other sources, to help finance for their education, and hopefully keep their student debt lower.

I want to thank Chairman Schaible and NDUS staff for helping research and suggest solutions for this issue. Other institutions were also contacted and have been dealing with the same issue and were supportive for this change.

I would appreciate the committees support for this bill as another way to help our students.

Chairman Schaible and committee thank you for your time, and I would be glad to stand for any questions.

Sen. Ronald Sorvaag

District 45

SB 2202
1-30-19
Att. #2
p1 of 2



SB 2202

Senate – Education Committee
January 30, 2019
Brenda Zastoupil, Director of Financial Aid
701.328.2906 | brenda.zastoupil@ndus.edu

Chair Schaible and Committee Members, my name is Brenda Zastoupil. I am the Financial Aid Director at NDUS. I'm here today in support of SB 2202.

The ND State Grant provides support for resident undergraduate students with the greatest financial need who are attending North Dakota colleges. This grant program improves access to post-secondary education by addressing the number one concern for citizens at lower income levels – affordability. Eligible students receive \$975 per semester or \$650 per quarter for up to eight semesters or twelve quarters of full-time enrollment. Grant awards are adjusted according to federal methodology, which requires an institution to recalculate the award for other scholarships or grants received, to accord with a student's unmet need.

Current Formula (Federal Methodology) [Award may be reduced by other aid.]	SB 2202 Proposed Formula (State Methodology) [Award would go unchanged up to COA.]
¹ COA – EFC – all other state, federal, institutional and private scholarships and grants = State Grant Award	¹ COA – EFC – Federal Grants = State Grant Award

¹COA (Cost of Attendance based on average by college type); EFC (Expected Family Contribution)

SB2202 would change that formula, eliminating the offset of other state, institutional or private scholarships or grants, which occurs during this recalculation process. It would still take into consideration federal Pell and FSEOG grants. As a result, students would still receive the state grant even if they were successful in obtaining additional scholarships, grant or awards.

In addition to affordability, SB2202 also addresses transparency in awarding. Since the current formula takes into consideration all other scholarship and grant sources, even up until the time of disbursement (after the semester/quarter begins), the state grant award becomes a moving target for students preparing for college enrollment. This can be a deterrent to access because students expect one level of award, but the amount may decrease or be eliminated. SB2202 would remove this uncertainty that students experience. Students will be positively impacted by this change.

Over the five-year period ending with the 2017-18 academic year, approximately 6,500 students per year received grants totaling \$50.7 million, or \$10.1 million per year. 93% of the ND State Grant recipients already receive the highest award possible, based on their enrollment status. The proposed change would provide opportunity for the remaining students to retain a greater portion of the need-based grant. However, as more funds will be allocated to students with greatest need, the total number of awards for those students with the lowest need (as determined by the federal methodology) may decrease by 200-300 per year. Approximately \$543,000 is necessary to maintain the current award level of 6,500 of students per year.

The NDUS is very supportive of any changes made to state law that improve student affordability, access and transparency. As such, I respectfully request a **Do Pass on SB2202** and ask the committee to consider funding to maintain the current number of annual awards.

I will gladly answer any questions the committee may have. Thank you.

SB 2202
3-11-19
#1



NORTH DAKOTA SENATE



STATE CAPITOL
600 EAST BOULEVARD
BISMARCK, ND 58505-0360

COMMITTEES:
Appropriations

Senator Ronald Sorvaag
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3402 Birdie Street North
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March 11, 2019

Chairman Owens and Members of the House Education Committee,

SB2202 came about because of an issue one of my constituent's sons financial aid. He earned a North Dakota State Grant of \$1853 based on financial need. He later earned a ND Career and Technical Scholarship of \$1,500 on good grades and ACT score. With earning this scholarship is aid was reduced to \$353. Later he applied for a private scholarship and was awarded \$500 and with award he lost the remaining portion of his grant money.

SB2202 is being introduced to change this procedure. Once financial aid is established on need, it would not allow the aid to be reduced, if the student secures scholarships and grants from other resources. This will encourage students to work hard to find other sources, to help finance for their education, and hopefully keep their student debt lower.

I want to thank NDUS staff for helping research and suggest solutions for this issue. Other institutions were also contacted and have been dealing with the same issue and were supportive for this change.

I would appreciate the committees support for this bill as another way to help our students.

Chairman Owens and committee thank you for your time, and I would be glad to stand for any questions.


Sen. Ronald Sorvaag

District 45

SB2202
3-11-19
#2



SB 2202

House – Education Committee

March 11, 2019

Brenda Zastoupil, Director of Financial Aid

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Chair Owens and Committee Members, my name is Brenda Zastoupil. I am the Financial Aid Director at NDUS. I'm here today in support of SB 2202.

The ND State Grant provides support for resident undergraduate students with the greatest financial need who are attending North Dakota colleges. This grant program improves access to post-secondary education by addressing the number one concern for citizens at lower income levels – affordability. Eligible students receive \$975 per semester or \$650 per quarter for up to eight semesters or twelve quarters of full-time enrollment. Grant awards are adjusted according to federal methodology, which requires an institution to recalculate the award for other scholarships or grants received, to accord with a student's unmet need.

Current Formula (Federal Methodology) [Award may be reduced by other aid.]	SB 2202 Proposed Formula (State Methodology) [Award would go unchanged up to COA.]
¹ COA – EFC – all other state, federal, institutional and private scholarships and grants = State Grant Award	¹ COA – EFC – Federal Grants = State Grant Award

¹COA (Cost of Attendance based on average by college type); EFC (Expected Family Contribution)

SB2202 would change that formula, eliminating the offset of other state, institutional or private scholarships or grants, which occurs during this recalculation process. It would still take into consideration federal Pell and FSEOG grants. As a result, students would still receive the state grant even if they were successful in obtaining additional scholarships, grant or awards.

In addition to affordability, SB2202 also addresses transparency in awarding. Since the current formula takes into consideration all other scholarship and grant sources, even up until the time of disbursement (after the semester/quarter begins), the state grant award becomes a moving target for students preparing for college enrollment. This can be a deterrent to access because students expect one level of award, but the amount may decreased or be eliminated. SB2202 would remove this uncertainty that students experience. Students will be positively impacted by this change.

Over the five-year period ending with the 2017-18 academic year, approximately 6,500 students per year received grants totaling \$50.7 million, or \$10.1 million per year. 93% of the ND State Grant recipients already receive the highest award possible, based on their enrollment status. The proposed change would provide opportunity for the remaining students to retain a greater portion of the need-based grant.

The NDUS is very supportive of any changes made to state law that improve student affordability, access and transparency. As such, I respectfully request a **Do Pass on SB2202** and ask the committee to consider funding to maintain the current number of annual awards.

I will gladly answer any questions the committee may have. Thank you.