

ESTIMATED COSTS TO EXPAND STUDENT FINANCIAL ASSISTANCE PROGRAMS

This memorandum summarizes the estimated costs to expand the state student financial assistance grant program and the career and technical education (CTE) and academic scholarship programs.

STUDENT FINANCIAL ASSISTANCE GRANT PROGRAM Overview

The North Dakota student financial assistance grant program provides grants to North Dakota residents pursuing their undergraduate degree while attending a North Dakota public, private, or tribal higher education institution. The purpose of the grant is to assist students with the costs of attending a North Dakota higher education institution and reduce the amount of money students need to borrow for their education.

The application for the grant program is the federal Free Application for Federal Student Aid (FAFSA), and a student may apply for the grant each year by completing the FAFSA or renewal FAFSA application. Grants are to be allocated to students based on financial need, and grant funding is distributed directly to the institution the recipient is attending.

Grant Award Amount

The amount of the grant award is determined by the State Board of Higher Education and may not exceed the maximum level established in North Dakota Century Code Section 15-62.2-02. The current maximum grant award level in statute is \$1,650 per recipient per academic year. The following schedule details the grant award level set by the board each year since the 2002-03 academic year:

Academic Year	Grant Amount	Academic Year	Grant Amount
2002-03	\$600	2008-09	\$800
2003-04	\$600	2009-10	\$1,200
2004-05	\$600	2010-11	\$1,200
2005-06	\$600	2011-12	\$1,500
2006-07	\$800	2012-13	\$1,500
2007-08	\$800	2013-14	\$1,648

The 2013 Legislative Assembly appropriated additional funding for the grant program to allow part-time students to receive a grant. Grants for part-time students are prorated based on the number of credits the student is taking.

Grant Recipients

The following schedule details the number of students enrolled at a North Dakota University System institution, a tribal college, or a private institution that have received a grant since the 2003-04 academic year.

Academic Year	Number of Students Receiving a Grant			
	University System Institutions	Tribal Colleges	Private Institutions	Total
2003-04	1,842	109	473	2,424
2004-05	1,896	91	546	2,533
2005-06	1,900	87	507	2,494
2006-07	2,777	97	518	3,392
2007-08	3,484	103	565	4,152
2008-09	3,235	90	556	3,881
2009-10	6,257	533	1,075	7,865
2010-11	6,673	863	1,154	8,690
2011-12	5,657	416	942	7,015
2012-13	6,490	676	948	8,114

Legislative Appropriations for Student Financial Assistance Grants

The following schedule is a summary of legislative appropriations for the student financial assistance grant program since the 2003-05 biennium:

Biennium	General Fund	Federal Funds	Other Funds	Total Funds
2003-05	\$2,730,215	\$200,000	\$0	\$2,930,215
2005-07	\$3,332,402	\$172,000	\$0	\$3,504,402
2007-09	\$5,823,497	\$164,000	\$0	\$5,987,497
2009-11	\$19,025,594	\$348,428	\$0	\$19,374,022
2011-13	\$19,025,594	\$348,428	\$0	\$19,374,022
2013-15	\$21,245,679	\$0	\$0	\$21,245,679

Estimated Costs to Expand the Student Financial Assistance Grant Program

The following schedule details the total estimated biennial cost of the state grant program if the grant amount, number of recipients, or both were increased from current levels.

Grant Amount	Number of Recipients ¹				
	8,500	9,000	9,500	10,000	10,500
\$1,650	\$26,898,830	\$28,483,686	\$30,066,068	\$31,647,624	\$33,229,180
\$1,700	\$27,713,400	\$29,346,250	\$30,976,550	\$32,606,000	\$34,235,450
\$1,750	\$28,529,030	\$30,209,936	\$31,888,218	\$33,565,624	\$35,243,030
\$1,800	\$29,343,600	\$31,072,500	\$32,798,700	\$34,524,000	\$36,249,300
\$1,850	\$30,159,230	\$31,936,186	\$33,710,368	\$35,483,624	\$37,256,880
\$1,900	\$30,973,800	\$32,798,750	\$34,620,850	\$36,442,000	\$38,263,150
\$1,950	\$31,789,430	\$33,662,436	\$35,532,518	\$37,401,624	\$39,270,730
\$2,000	\$32,604,000	\$34,525,000	\$36,443,000	\$38,360,000	\$40,277,000

¹Includes full-time and part-time students.

CAREER AND TECHNICAL EDUCATION AND ACADEMIC SCHOLARSHIP PROGRAMS

Overview

The 2009 Legislative Assembly approved House Bill No. 1400 creating the CTE and academic scholarship programs. The legislation established eligibility criteria for the scholarship programs in Chapter 15.1-21, and the criteria were subsequently adjusted by the 2011 and 2013 Legislative Assemblies. The current eligibility requirements provide a student must be a resident of the state and meet the specific program requirements for either a CTE or an academic scholarship.

Any student who meets the requirements for a CTE scholarship or an academic scholarship is eligible to receive a scholarship of \$750 per semester, or \$500 per quarter, for each period the student is enrolled full time at a North Dakota higher education institution and maintains eligibility up to a maximum amount of \$6,000. Scholarships may be provided to students for up to six years following the student's graduation from high school and cannot be used for graduate programs. These scholarship amounts and criteria have not changed since the programs were established in 2009.

Scholarship Recipients

A total of 3,687 students received a CTE or an academic scholarship during the fall 2013 semester. The following schedule details the types of North Dakota institutions attended by students receiving a scholarship during the fall 2013 semester:

	Type of Institution Attended by Scholarship Recipients (Fall 2013 Semester)				
	Two-Year Public or Tribal Institution	Four-Year Public Institution	Public Research Institution	Private Institution	Total
Academic scholarship recipients	142	267	1,767	336	2,512
CTE scholarship recipients	273	205	561	136	1,175
Total	415	472	2,328	472	3,687

Legislative Appropriations

The following is a summary of legislative appropriations for the CTE and academic scholarship programs since the 2009-11 biennium:

Biennium	General Fund
2009-11	\$3,000,000
2011-13	\$10,000,000
2013-15	\$10,000,000

Estimated Costs to Expand the CTE and Academic Scholarship Programs

The following schedule details the total estimated biennial cost of the scholarship programs if the scholarship award amount was increased. The amounts are based on the increased award levels applying only to new scholarship recipients.

Annual Award	2015-17 Biennium Estimated Costs - New Recipients Only		
	2015-16 Academic Year	2016-17 Academic Year	2015-17 Biennium Total
\$1,500	\$7,690,825	\$7,816,665	\$15,507,490
\$2,000	\$8,395,825	\$9,754,436	\$18,150,261
\$2,500	\$9,100,825	\$12,044,427	\$21,145,252
\$3,000	\$9,805,825	\$14,686,637	\$24,492,462

The following schedule details the total estimated biennial cost of the scholarship programs if the scholarship award amount was increased. The amounts are based on the increased award level applying to both existing and new scholarship recipients.

Annual Award	2015-17 Biennium Estimated Costs - Existing and New Recipients		
	2015-16 Academic Year	2016-17 Academic Year	2015-17 Biennium Total
\$1,500	\$7,690,825	\$7,816,665	\$15,507,490
\$2,000	\$10,254,432	\$11,126,660	\$21,381,092
\$2,500	\$12,818,040	\$14,788,875	\$27,606,915
\$3,000	\$15,381,647	\$18,803,310	\$34,184,957