

FISCAL NOTE
Requested by Legislative Council
01/12/2019

Bill/Resolution No.: HB 1389

- 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.*

	2017-2019 Biennium		2019-2021 Biennium		2021-2023 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$225,000		\$525,000	
Appropriations			\$225,000		\$525,000	

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

	2017-2019 Biennium	2019-2021 Biennium	2021-2023 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).*

HB 1389 creates a new state scholarship for Veteran aeronautic students.

- 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.*

Section 1 provides a scholarship to veterans to obtain a bachelor's degree in aeronautics at a state institution of higher education. The award would cover the flight training fee costs not paid for by federal programs. A \$20,000 per student lifetime cap would apply.

Funds would be repaid if the veteran does not: 1. Obtain a bachelor's degree in aeronautics within six years; 2. Maintain employment in manned or unmanned aerial system industry for two years after graduation; or 3. Reside in ND for at least two years after graduation.

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.*

Approximately 15 new veteran students are enrolled in the aeronautics programs per year. Each student could receive up to \$5,000 per year for four years. In year 1, 15 students would receive awards. The number of student awards would increase by 15 per year, capping out at 60 awards/year in the program's fourth year of operation. Biennial expenditures would be \$225,000 in 2019-21, \$525,000 in 2021-23 and \$600,000 in 2023-25 and each biennium thereafter.

- 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.*

This program is not funded in HB1003, the NDUS appropriation bill. UND does not have other available funding sources. For the 2019-21 biennium, a \$225,000 general fund appropriation (ongoing) would be required in the NDUS System Office to administer this state scholarship. For 2021-23, the appropriation would increase to \$525,000. Beginning in 2023-25, the appropriation needs would increase to \$600,000.

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