19.0414.02000

FISCAL NOTE

Requested by Legislative Council
01/07/2019

Bill/Resolution No.: HB 1122

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			$800,000		$800,000	
Appropriations			$800,000		$800,000	

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).*

House Bill 1122 allows students to use ND academic or career & technical education scholarship dollars to pay for dual-credit courses taken while in high school.

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.*

Currently, ND AC & CTE scholarships are awarded only after a student graduates from high school. Dollars are used to pay post-secondary education costs at public, private or tribal ND institutions of higher education. The $6,000 maximum scholarship can be used over a six-year period, for any degree or certificate program offered by the institution, up to and including graduate programs.

If a student used a portion of the scholarship for dual credit courses, fewer dollars would be available for post-secondary education costs because the maximum limit is unchanged by this bill.

It is anticipated that several students who take dual credit courses would not fulfill all the criteria to ultimately be awarded the full AC or CTE scholarship. Payments for these courses would add to the overall cost of the scholarship program.

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.*

Department of Public Instruction (DPI) and NDUS data indicate that for the most recent graduating class, 959 students had taken dual credit courses but did not receive an AC or CTE scholarship. Students took an average of 1.4 courses per term, which equates to 1,343 courses per year. The average tuition rate per course is $297.87 ($99.29 per credit tuition rate X 3 credits). Total biennial expenditures are $800,080 (1,343 courses X $297.87 X two years).

We anticipate dual credit enrollment will increase as a result of these changes. Related cost increases are not included in this fiscal note.

BND currently pays for dual credit courses taken by students who qualify for free or reduced lunch. If this BND program were to be discontinued, this cost estimate would increase by about $560,000 per biennium.

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.*

The base level appropriation for the current AC/CTE scholarship program is $15.7 million. All funds are currently allocated for scholarship awards. An ongoing $800,000 general fund appropriation increase is required to pay for the program changes proposed in HB1122.

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Date Prepared: 01/10/2019