



HB1030

House Education Committee

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Chair Heinert and members of the House Education Committee, my name is Brenda Zastoupil, and I serve as the Financial Aid Director for the North Dakota University System (NDUS). I am here today to provide supporting testimony related to HB1030.

The proposed changes impact the Skilled Workforce Student Loan Repayment and Scholarship program, also known as ND Career Builders, the Dual Credit Tuition scholarship, the ND Scholars program, the ND Indian Scholarship, and the ND Academic/CTE/ND scholarships. The changes address several technical amendments to clean up statute as well as some important updates.

The Skilled Workforce Student Loan Repayment and Scholarship, or ND Career Builders

(NDCB), is a workforce development program established in 2019. The program is a partnership with business to recruit and retain talent in high-need occupations within the state. The program has generated 181 workers within in-demand occupation in the state and another 88 are in the pipeline enrolled in qualifying programs of study. The partnership requires that a private-sector donor match, dollar for dollar, the state funds. A total of 88 unique donors for the scholarship program and 25 for the loan repayment program have committed over \$1.3 million in matching funds. A marketing campaign from Feb-Nov 2022 helped to build a greater awareness of the program with businesses, high school counselors and administrators, students, and post-secondary institutions. Recipients are located across the state as shown in the 2022 NDCB Public Awareness Campaign Summary attached.

- The proposed edits on page 1, line 14 and page 3, line 20 extend the program through the 23-25 biennium.
- On page 2, lines 30-31, the final sentence should have been deleted in the 2021 session but was overlooked. This sentence conflicts with subsection 8. The goal is to allow a recipient to receive no more than \$17,000 between the scholarship and loan repayment programs, thereby allowing a business to utilize recruitment dollars as best fits the entity.
- NDUS requests an additional amendment on page 4, line 26 with the removal of the word “*and*” between scholarship and payment. The NDUS has processes in place to verify grade point average (GPA) and full-time enrollment for each student prior to making payment to an institution, additionally, within the application, the student acknowledges their understanding that they must have a 2.50 GPA and be enrolled full-time to receive payment. Currently, high school seniors are applying for the scholarship. This amendment removes an application barrier and allows students the opportunity to apply for the scholarship ahead of confirming these requirements.

The next program addressed in HB1030 is the **Dual Credit Tuition scholarship**. This program was introduced in 2021. This scholarship provides an additional incentive for students to take dual credit in high school by rewarding them with a scholarship in college. Dual credit in high school plays a key role in preparing students for college and setting students on a pathway for success. Currently 2,619 students have benefited from this program.

- Page 6, line 9 and line 13 add language consistent in other state scholarship and grant programs, wherein “*accredited*” institutions “*with a physical presence*” in the state is added. Consistent language among programs helps to provide transparency to students and assists in the administration of the programs.
- Page 6 line 21 adds “*successfully*” to the requirements to avoid payment for dual credit coursework not successfully completed.
- Page 6 lines 22-23 add eligibility for dual credit courses taken at private or tribal institutions within the state. Students who currently take dual credit courses at one of the tribal or private institutions in the state cannot request the scholarship for those classes.
- Page 6 lines 26-29 change the payment structure from no more than 50% of the cost of the dual credit course(s) up to a maximum of \$750, to a flat rate based on the number of dual credit courses successfully completed. This change will provide transparency for the applicant and assist in administration of the program.
- Page 6 lines 30-31 again reference the eligibility of private and tribal dual credit courses.
- Lines 1,4 and 5 on page 7 are struck based on the new language proposed in subsection 3.

The **ND Scholars program** is the premier merit-based award in the state. It is provided to the top ranked ND resident students based on national test scores. The goal is to retain this high talent in the state for college. Approximately 30 new students are awarded each year. The award may be renewed for up to a total of 8 semesters if the student maintains a 3.50 GPA. The 2021 Legislative Assembly provided for an additional pathway to achieve this award by expanding from the ACT test score to other nationally recognized standardized tests. This created the option for SAT scores to also be a qualifier. The proposed edits presented in HB1030 help to clarify the ranking process as ACT and SAT scores do not use the same language and sets a minimum score for consideration.

- Page 7, subsection 2 changes language from top 95th percentile to “*achieved a composite score of 30 or higher.*” Based on appropriation levels, approximately 30 new students are awarded per year plus renewed students are funded. Over the past 5 years, we have seen an average of 354 students in the top 95th percentile and in the past two years we have not awarded below a 31 since 1991-92. Providing a cutoff will provide transparency to students and high school counselors. Additionally, ACT, Inc. will no longer calculate this number for NDUS, creating a risk for error in calculating the correct percentile.
- Page 7 line 22, “*post-secondary*” was added for clarity and lines 23-24, “*with a physical presence*” to be consistent with other scholarships and grants.

- Page 8, subsections 2, 3 and 4 address the ranking process when faced with both ACT and SAT scores. A concordance table exists to determine ACT to SAT for some of the scores used to determine ranking order. Where no equivalency exists, the equivalent is zero. This would only occur for “sum of scale scores” as there is a concordance for composite, as well as for English and math, as noted below. It is important to note that of the students in the top 95th percentile, only 4 had a SAT score in each of the past 2 years.
 - ACT “composite” = SAT “total score”
 - ACT “sum of scale scores” – no equivalency on SAT score
 - ACT “English and math” = SAT “ERW and math” score
- Page 8 line 27 is clean-up language.

The **ND Indian Scholarship** is an ethnicity-based award. Currently approximately 270 students are awarded per year. Awards are made by the ND Indian Scholarship Board annually. This section of statute has not been reviewed since 2003 and therefore, several amendments are proposed.

- Throughout Sections 8-11 on pages 9-11, you will find language updated from Indian to “*Native American*” to correct terminology not updated since 2003.
- Page 9, line 14 clarifies the program as a scholarship and lines 15-16 clarifies the role of the Board and the NDUS as the administering agency.
- Page 9, line 19 provides clarity by adding “*federally recognized*”.
- Page 9, lines 20-21 again address consistent terminology among the state scholarship and grant programs by adding “*accredited*” and “*with a physical presence*”.
- Page 9, line 27-28 words struck as the scholarship does not entitle a student to enter.
- Page 10, line 4 words struck, and “*Scholarship*” inserted for conciseness.
- Page 10, lines 6-8 amended as NDUS has processes in place to verify enrollment prior to any payments being made on behalf of the student. This change removes an application barrier and streamlines the process.
- Page 10, line 14 change granting to “*award*”, which is what the Board does, and removes “*and acceptance thereof*”. Acceptance of the award is passive and is assumed. The NDUS verifies enrollment with the institution prior to funds being issued.
- Page 10, lines 16-19 align cost of attendance language with Title IV language.
- Page 10, line 20 and line 26 adds “*clock-hour term*” to address awards issued to students enrolled in career and technical programs.
- Page 10, lines 20-21, struck “*for three quarters*” and “*for two semesters*” and changes it to “*Awards may not exceed two thousand dollars.*” Students often attend classes year-round. This change adds flexibility to how the award may be issued.
- Text struck at the bottom of page 10, lines 26-31 and top of page 11, line 1 as this is no longer current practice. The funding of the ND Indian Scholarship is provided under the NDUS budget on a biannual basis and applications are required annually, not renewed.
- Page 11, lines 2-6 provide clarifying language.



The last program addressed by HB1030 is the **ND Academic, CTE and North Dakota Scholarship**. This program provides for merit-based scholarships to qualifying high school graduates for meeting challenging academic and CTE criteria in high school. The maximum amount is \$6,000. Approximately 23% of high school graduates qualify for this award and the NDUS issues awards to an average of 5,230 students per year. The 2021 Legislative Assembly aligned eligibility requirements with Choice Ready requirements, with additional rigor built in. In this process, the end date for eligibility of the Academic and CTE scholarship payments was cut off as of 2024. The requested amendment to the eligibility date presented in HB1030 provides for ongoing eligibility for those students who have already earned the award as students have up to 6 years beyond high school graduation to access it.

This concludes my testimony related to HB1030. I respectfully request a Do Pass, with the one amendment proposed for the ND Career Builders program on page 4, line 26. I will stand for questions from Committee members.

Attachment - 2022 NDCB Public Awareness Campaign Summary