



HB1031

House Education Committee

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Good afternoon, 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 in support of HB1031, which provides an amendment to the ND State Grant and appropriations for three student aid programs.

The Student Financial Assistance Grant, called the ND State Grant, is the state's need-based award. On average, approximately 6,100 students benefit from this award annually. Awards are determined using data from the Free Application for Federal Student Aid (FAFSA) and are provided to the neediest students until funds are exhausted. The full-time award amount of \$1,100 per semester or \$733 per quarter (Rasmussen University-Fargo) has been in effect since the 2019-20 academic year. Students may qualify for a reduced rate for part-time attendance at the state's accredited public, private and tribal institutions. The current appropriation for this program is \$23,917,306. Section 1 would increase the State Grant per semester rate to \$1,650 and the per quarter rate to \$1,100. These changes increase biennial program costs by \$12 million, for which an appropriation is provided in Section 2.

The ND University System requests that the committee add an emergency clause for Section 1. The ND State Grant awarding process for the 2023-24 academic year begins as early as March to allow families time to plan for expenses and an emergency clause would assist in that effort.

Section 3 of HB1031 appropriates \$1 million to cover an anticipated shortfall in funding for the ND Academic, CTE and ND Scholarships for the 2023-25 biennium. Students earn this scholarship by taking challenging academic and technical coursework while in high school. Approximately 23% of high school seniors qualify for this award and on average, 5,230 students receive payment each year. The \$6,000 scholarship can be used for enrollment at the state public, private, and tribal institutions, including accredited private career schools. The award is disbursed at \$750 per semester or \$500 per quarter or clock-hour term. Statute does not provide for a reduced award amount if appropriations are not sufficient to cover all disbursements. The current appropriation for this program is \$16,216,749.

Section 4 provides an appropriation for the Dual Credit Tuition Scholarship, which was created by the 2021 Legislative Assembly. This award is an additional incentive for high school students to take dual credit courses by rewarding them in college with a \$750 maximum scholarship. This program has proven very successful with 2,619 student currently benefiting, and a total of \$1.4M in awards. It is anticipated that the current appropriation of \$1.5M will be expended by June 30, 2023. The program is currently funded by the Bank of ND through a pool of funds also utilized for the ND Career Builders Scholarship & Loan Repayment Program (NDCB). That pool of funds is limited,



and it is anticipated that NDCB will require nearly all the remaining balance to fund workforce development scholarships and loan repayment in the 2023-25 biennium, creating a need for a separate funding source moving forward.

This concludes my testimony related to HB1031. I respectfully request a Do Pass, with the addition of an emergency clause to Section 1. I will stand for questions from Committee members.