

## HB1030

Senate Workforce Development Committee

March 2, 2023

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Chair Wobbema and members of the Senate Workforce Development 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 several student financial aid programs, including 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/Career & Technical Education (CTE)/North Dakota (ND) Scholarships. The changes address several technical amendments to clean up statute as well as some important updates to help clarify the programs and add transparency for students.

**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 over 200 workers within in-demand occupations in the state and another 85 are in the pipeline enrolled in qualifying programs of study in the state. The program requires that a private-sector donor match, dollar for dollar, the state funds. A total of 92 unique donors for the scholarship program and 30 for the loan repayment program have committed nearly \$1.5 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 on the following page. 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.
- The amendment on page 4, line 26 removes 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 issuing payment to an institution, additionally, within the application, the student acknowledges their understanding that they must hold 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** in section 3. 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 2,759 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 (\$750 for 3+, \$500 for 2, \$250 for 1). This change will provide transparency for the applicant and significantly reduce administrative burden.
- 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 the prior subsection 3 regarding the flat payment rates.

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 and fulltime enrollment. 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. The edits also set a minimum score for consideration.

- Page 7, line 28-31 change language from top 95<sup>th</sup> percentile to “*achieved a composite score (or equivalent) of 30 or higher.*” Based on appropriation levels, approximately 30 new students are funded per year plus renewed students. Over the past 5 years, we have seen an average of 354 students in the top 95<sup>th</sup> percentile. The 95<sup>th</sup> percentile is generally down to a 28 or 29 on the national test scores. In the past two years we have not awarded below a 33. 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 determining the correct percentile internally, which further necessitates the need for a set number.

- Page 8 lines 2-3, “*post-secondary*” and “*with a physical presence*” to add clarity and to be consistent with other scholarships and grants.
- Page 8, section 2, 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 translations for some of the scores used to determine ranking order. Where no equivalency exists, the equivalent is set to zero. This would only occur for the ranking order for “sum of scale scores”. There is a concordance for composite scores, as well as for English and math. It is important to note that of the students in the top 95<sup>th</sup> percentile, only 4 had a SAT score in each of the past 2 years. The concordance tables ACT to SAT are as follows:
  - ACT “composite” = SAT “total score”
  - ACT “sum of scale scores” – no equivalency on SAT score (set to zero)
  - ACT “English and math” = SAT “ERW and math” score

The **ND Indian Scholarship** is an ethnicity-based award. It supports resident Native American students at the five tribal colleges in the state, as well as at the accredited public and private institutions. 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 8-12, you will find language updated from Indian to “*Native American*” to correct terminology not updated since 2003.
- Page 9, line 26 clarifies the program as a scholarship, and lines 27-28 clarifies the role of the Board versus the NDUS as the administering agency.
- Page 10, lines 1-3 and 10-11 again provide consistency by adding “*federally recognized*”, “*accredited*” and “*with a physical presence*”, as is done in other state scholarships and grants.
- Page 10, lines 9-10 words are struck as the scholarship does not entitle a student to enter but provides them an opportunity to fund their education through the scholarship.
- Page 10, line 17 words are struck, and “*Scholarship*” inserted for conciseness.
- Page 10, lines 19-21 words are struck as NDUS has processes in place to verify enrollment prior to payments being issued on behalf of the student. This change removes an application barrier and creates a more efficient application process.
- Page 10, line 27 changes 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 paid. Removing this language removes another application barrier.
- Page 10, lines 29-31 align cost of attendance language to federal Title IV language.
- Page 11, line 2 and line 8 adds “*clock-hour term*” to address awards issued to students enrolled in career and technical programs.
- At the top of page 11, the word “*for three quarters*” and “*for two semesters*” are struck as they are unnecessary as the following sentence clearly states that “*Awards may not exceed two thousand*

*dollars in any academic year.”* Students often attend classes year-round. This change adds flexibility to how the award may be issued.

- Page 11, lines 5-7 are struck and incorporated into the text at the end of this section. It is important to note that total cost of attendance may never be exceeded for the state scholarship and grant programs.
- On page 11 from lines 9-19, text has been struck and rewritten to reflect current practice. The funding of the ND Indian Scholarship is provided under the NDUS budget on a biannual basis and applications are required annually with a July 15<sup>th</sup> priority date.

The last programs addressed in HB1030 are the **ND Academic, CTE and ND Scholarships**. These scholarships provide for merit-based scholarships to qualifying high school graduates for meeting challenging academic 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. Inadvertently, within the 2021 amendments, the end date for eligibility of the Academic and CTE scholarship payments was cut off as of 2024. The requested amendment in Section 13 to the effective dates, 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. The final payment year for the Academic and CTE Scholarships will be 2030. At that time, the only option will be the ND Scholarship.

A few additional edits in HB1030 include section 4 on page 7, which updates the dates to reflect when the Academic and CTE Scholarship reporting ends. The NDUS is required to report annually on the scholarships. Section 15 on page 16 repeals a section of the Native American Scholarship that is not necessary. The NDUS issues nearly 100% of all funds appropriated and because of the verification processes set up by the NDUS, enrollment is confirmed prior to issuing payments and thus, refunds are rarely received from institutions. Finally, the emergency clause in section 16 allows for the use of the NDCB funds to be paid effective upon signing, to continue to address work shortages in the state.

This concludes my testimony related to HB1030. I respectfully request a Do Pass. I will stand for questions.