

1999 SENATE EDUCATION

SB 2084

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2084

Senate Education Committee

Conference Committee

Hearing Date January 19, 1999

Tape Number	Side A	Side B	Meter #
1	x		03-2114

Committee Clerk Signature *Jinda Christman*

Minutes:

SENATOR FREBORG: I will open the hearing on SB 2084. Is there any testimony in favor?

KEITH BJERKE, ADJUTANT GENERAL OF THE NATIONAL GUARD testified in favor on SB 2084 (see testimony).

SENATOR FREBORG: Are there any questions?

LIEUTENANT COLONEL RANDALL HERMAN, PROGRAM MANAGER testified in favor of SB 2084 (see testimony).

SENATOR FREBORG: Are there any questions?

SENATOR REDLIN: So I understand it correctly, presently 100% of tuition is offered to a guardsman as long as he is an active member of the guard.

RANDALL HERMAN: The current program provides, through a variety of sources, 100% of school tuition. We want to combine this projection for the guard which would be 50% waiver, 25% higher education and the gift aid would be 25%.

SENATOR REDLIN: This plan will continue as far as the guardsman is concerned?

RANDALL HERMAN: This plan is going to change it; we are going to address the tuition program as more of a scholarship benefit. There are a number of changes that will go into effect next year; we will require students to perform academically with a GPA of at least 2.5. Looking at NDSU, 90% of our students had a 2.5 GPA or better last semester. Overall, 80% are performing at this level or higher. We are confident that this level will go up. Our program will be a fixed benefit for a full time student. The National Guard portion will be \$500 per semester; the higher education portion will be a 25% waiver of their rate of tuition at their institution. The percentage of benefits vary slightly for the student depending on the institution they choose to attend. They could very well be at 100% tuition for smaller schools not counting any type of gift aid at all. At larger institutions, the percentage of support from higher education and guard will be 80%. It is a direct incentive for our students to be aggressive.

SENATOR REDLIN: What are you referring to when you say gift aid?

RANDALL HERMAN: Gift aid are moneys that are acquired through the federal financial aid process grant. Other sources could be a scholarship from say Cenex in Bottineau.

SENATOR O'CONNELL: Can you give us a brief history of how your program got started?

RANDALL HERMAN: The program began over twenty years ago. The guard, in the beginning, would take care of 50% of the tuition and higher education picked up 50% of that, the

end result was a 75% tuition program. The intent was to provide tuition along with gift aid and this would equal a 100% tuition program.

SENATOR KELSH: What this is doing is if you are unable to support or meet the 25%, higher education is not required to match if you can't meet your obligations.

RANDALL HERMAN: This proposed legislation would relieve higher education from having a tuition responsibility if our appropriations would run out. We feel comfortable that our budget will provide the dollars within our appropriations to address our portion of the whole tuition program. I would be very surprised if we fell short of our funding.

SENATOR KELSH: If appropriations did not follow through then what would be the case, the student would not get the tuition waiver or would they just get the amount less the 25%?

RANDALL HERMAN: Basically, this legislation provides that the university system will not have an obligation to provide their support should we not have sufficient funds to provide the support necessary to do our part. It makes it a peer partnership.

SENATOR REDLIN: It will weed out the people who don't hold a 2.5 GPA.

RANDALL HERMAN: This program is an after-the-fact benefit. Students apply prior to the beginning of the academic year but we wait until they've completed the course of study, we then have their transcripts and we can see if they have completed the course work with a 2.5 GPA or better. At that point in time we issue a check for our portion and we're still working on a few other administrative policies.

SENATOR REDLIN: Would you say this would be a flat sum of \$500 per semester?

RANDALL HERMAN: Yes.

SENATOR FLAKOLL: This would be for a full-time student, part-time student, and could this also be for a student who wishes to enroll in medical school, law school or aviation school?

RANDALL HERMAN: Part time students will be able to participate, it will be prorated at the percentage of their course study load. The current program does not incorporate graduate study.

SENATOR FLAKOLL: The focus is primarily on recruiting as the reason for the program. Are there any other reasons?

RANDALL HERMAN: The better educated our members are, the better able they are to perform their responsibilities.

SENATOR COOK : Will this program give you tools to recruit a person who has already graduated from college? Are there any tools to maybe pay down school loans?

RANDALL HERMAN: I don't believe this program addresses the issue. The access to federal benefits that addresses that in particular is the Federal Student Loan Retainment Program and others.

SENATOR COOK: Will the program be applied equally to an army guard versus an air guard.

RANDALL HERMAN: Yes, it is nondiscriminatory.

KEITH BJERKE: The problem with the current program is adverse selection. Our students are very smart and they realized early on if they didn't pursue gift aid. We ended up with \$300,000 shortfall. This cannot happen again.

PEGGY WIPF, DIRECTOR OF FINANCIAL AID testified in support of SB 2084. No written testimony.

SENATOR FREBORG: I will close the hearing on SB 2084.

SENATOR KELSH: I will move for a Do Pass motion.

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Senate Education Committee

Bill/Resolution Number Sb 2084

Hearing Date January 19, 1999

SENATOR WANZEK: I will second that motion.

The clerk was instructed to take roll call (7 Yeas, 0 Nays and 0 Absent and Not Voting).

Senator Redlin with carry SB 2084.

FISCAL NOTE

(Return original and 10 copies)

Bill/Resolution No.: SB 2084 Amendment to: _____

Requested by Legislative Council

Date of Request: December 30, 1998

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts.

Narrative:

This Bill serves to correct two concerns higher education had with the National Guard tuition waiver program. First, it limits the percentage of the waiver at 25%. Although this had been the traditional amount of the waiver, it was not set by statute. Second, the Bill relieves higher education of its tuition waiver obligation if the Adjutant General runs out of appropriations for tuition reimbursement. These changes do not cause any increased fiscal impact to the North Dakota National Guard. This Bill provides for the same fiscal impact, according to legislative appropriations, as existing legislation.

2. State fiscal effect in dollar amounts:

	1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
	General Fund	Special Funds	General Fund	Special Funds	General Fund	Special Funds
Revenues:	-0-	-0-	-0-	-0-	-0-	-0-
Expenditures:	-0-	-0-	-0-	-0-	-0-	-0-

3. What, if any, is the effect of this measure on the appropriation for your agency or department:

- a. For rest of 1997-99 biennium: None
- b. For the 1999-2001 biennium: None
- c. For the 2001-03 biennium: None

4. County, City, and School District fiscal effect in dollar amounts:

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

If additional space is needed, attach a supplemental sheet.

Signed 

Typed Name Alan S. Dohrmann

Department ND National Guard

Phone Number (701) 224-5194

Date Prepared: January 15, 1999

Date: 1/19/99
 Roll Call Vote #: _____

Hold for a

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2084

Senate EDUCATION Committee

Subcommittee on _____
 or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Moved for Do Pass

Motion Made By Kelsh Seconded By Wanzek

Senators	Yes	No	Senators	Yes	No
Senator Freborg, Chairman	✓				
Senator Cook, Vice Chairman	✓				
Senator Flakoll	✓				
Senator Wanzek	✓				
Senator Kelsh	✓				
Senator O'Connell	✓				
Senator Redlin	✓				

Total (Yes) 7 No 0

Absent _____

Floor Assignment Sen. Redlin

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
January 19, 1999 1:25 p.m.

Module No: SR-11-0832
Carrier: Redlin
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2084: Education Committee (Sen. Freborg, Chairman) recommends DO PASS
(7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2084 was placed on the
Eleventh order on the calendar.

1999 HOUSE EDUCATION

SB 2084

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2084

House Education Committee

Conference Committee

Hearing Date 3-10-99

Tape Number	Side A	Side B	Meter #
Tape # 2		x	13.9 to 22.2
Committee Clerk Signature <i>Jean Duro</i>			

Chairman R Kelsch, Vice Chair Drovdal, Rep Brandenburg, Rep Brusegaard, Rep Haas, Rep Johnson, Rep Nelson, Rep Nottestad, Rep L Thoreson, Rep Grumbo, Rep. Mueller, Rep. Nowatzki, Rep. Solberg .

Chairman R Kelsch : We will open the hearing on SB 2084 and ask the clerk to read the title.

Lieutenant Colonel Randall D Herman: Executive Support Staff Officer (See attached testimony).

Rep. Nowatzki : How many students take part in the tuition waiver program?

Herman: On an average we have about five hundred and six hundred twenty five each year.

Rep Grumbo : The students that you have, what kind of a grade point do they carry?

Herman: Seventy five per cent exceeded 2.0 grade point last year, this last semester 90 per cent at NDSU exceeded 2.5 gpa. It is a requirement that they meet the institutions eligibility standards

to participate in the program. We are drafting some changes to the program, want to place a 2.5 gpa requirement for participation.

Rep L Thoreson : Would this reduce your recruitment incentive?

Herman: This program is definitely a recruiting program. We believe when we make the changes in the program that we are proposing, the potential benefit to our members will be greater than it was in the past. In the past our program was connected to federal financial aid benefits and eligibility, our proposal in the program coming up is that we disconnect the national guard from those programs and as a result the need base will enable student who have identified needs to receive a higher actual benefit for educational purposes, then were able to in the past. The academic requirement of the new program of 2.5 gpa, we don't anticipate that being an issue.

Peggy Wipf: with the university system office. Spoke in support of SB 2084.

Chairman R Kelsch : Seeing there is no one else in the audience, I assume there is no one else prepared to testify for this bill. We will close the hearing on SB 2084.

COMMITTEE ACTION

Chairman R Kelsch : What are the wishes of the committee on SB 2084?

Rep Brandenburg : Move a DO PASS.

Rep L Thoreson : seconded the motion.

Chairman R Kelsch : Committee discussion, seeing none, we have a DO PASS motion before the committee, we will ask the clerk to read the roll. The DO PASS motion passes 13 YES 0 NO

2 Absent floor assignment Rep Brandenburg .

Date: 3-10-99
Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB-2084

House Education Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Brandenburg Seconded By Thoreson

Representatives	Yes	No	Representatives	Yes	No
Rep. ReaAnn Kelsch-Chairperson	/		Rep. Dorvan Solberg	/	
Rep. David Drovdal-Vice Chair	/				
Rep. Michael D. Brandenburg	/				
Rep. Thomas T. Brusegaard	/				
Rep. C. B. Haas	/				
Rep. Dennis E. Johnson	/				
Rep. Jon O. Nelson	/				
Rep. Darrell D. Nottestad	/				
Rep. Laurel Thoreson	/				
Rep. Howard Grumbo	/				
Rep. Lyle Hanson					
Rep. Deb Lundgren					
Rep. Phillip Mueller	/				
Rep. Robert E. Nowatzki	/				

Total (Yes) 13 No 0

Absent 2

Floor Assignment Brandenburg

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
March 11, 1999 8:23 a.m.

Module No: HR-44-4505
Carrier: Brandenburg
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2084: Education Committee (Rep. R. Kelsch, Chairman) recommends DO PASS
(13 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). SB 2084 was placed on the
Fourteenth order on the calendar.

1999 TESTIMONY

SB 2084

**TESTIMONY OF
LIEUTENANT COLONEL RANDALL D. HERMAN
EXECUTIVE SUPPORT STAFF OFFICER
BEFORE THE
SENATE EDUCATION COMMITTEE
JANUARY 19, 1999
ON
SENATE BILL 2084**

The North Dakota National Guard has conducted a thorough review of the Tuition Waiver program over the past year. In concert with the North Dakota University System, we have been working to enhance program effectiveness, and to reduce budgetary uncertainty for the National Guard and the University System. Current legislation leaves the University System responsible to fulfill tuition waiver program requirements should the National Guard appropriation be insufficient. This bill will provide a specified percentage of University System support to qualified National Guard members through the Tuition Waiver program. ND University System support would be established at twenty-five percent of the institutions current rate of tuition. It also provides that University System support is required only so long as the National Guard is able to provide like support under section 37-07.1-06.2. Our institutions will gain significant predictability for budget purposes, and eliminate the risk of greater support should National Guard appropriations be insufficient.

I would be pleased to answer any questions, Mr. Chairman.