

FISCAL NOTE
Requested by Legislative Council
12/19/2014

Amendment to: SB 2075

- 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.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$120,000		\$120,000	
Appropriations			\$120,000		\$120,000	

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 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).*

Changes ND Scholarship eligibility to permit a student to retain scholarship if the student enrolls in a graduate program after completing only three or fewer years of an undergraduate program up to \$6,000 total or four years.

- 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.*

Estimated additional 40 students would retain their scholarship in year four of their 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.*

None

- 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.*

Estimated additional 40 students would retain their \$1,500/yr scholarship in year four of their program, at a cost of approximately \$60,000 per year or \$120,000 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.*

Estimated additional 40 students would retain their \$1,500/yr scholarship in year four of their program, at a cost of approximately \$60,000 per year or \$120,000 per biennium.

Name: Laura Glatt

Agency: ND University System Office

Telephone: 701-328-4116

Date Prepared: 01/05/2015

FISCAL NOTE
Requested by Legislative Council
12/19/2014

Bill/Resolution No.: SB 2075

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Name: Laura Glatt

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Date Prepared: 01/05/2015

2015 SENATE EDUCATION

SB 2075

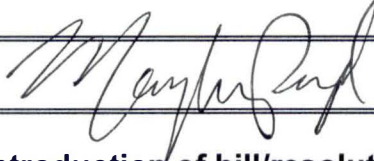
2015 SENATE STANDING COMMITTEE MINUTES

Education Committee
Missouri River Room, State Capitol

SB 2075
1/14/2015
Job # 21970 (24:53)

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to the ND scholarship eligibility of students in accelerated programs

Minutes:

Attachment #1-2

Chairman Flakoll called the committee to order at 11:15am with Vice Chairman Rust absent due to sickness.

Joan Heckaman, District 23 Senator (*see attachment #1*)

Heckaman: If you would like to consider combining SB 2074 and SB 2075 together, I don't have any opposition to that.

(2:35) **Brenda Zastoupil**, Director of Financial Aid for the North Dakota University System (*see attachment #2*)

(7:20) **Senator Davison**: Is the pharmacy program a year round program? Can they get money in the summer through this scholarship?

Zastoupil: It is year round however we disburse for fall and spring. If we awarded for the summer semester, that would be have an impact on the budget, but it could happen.

Senator Oban: Are you saying administratively that can be done on your side versus having to do anything written in law? That could be changed through your office?

Zastoupil: Statute states that students are to receive \$750 per semester. In essence, if summer is termed a semester or quarter and a student meets the qualifications, then I don't see anything to prevent us from doing that procedurally.

Chairman Flakoll: but financially?

Zastoupil: Precisely. Right now we budget biannually for fall and spring disbursement. We would have drastic impacts on the biennium's budget.

(9:35) **Chairman Flakoll**: I'm wondering about a retroactive consideration. It would appear based upon the fiscal note that we're looking at approximately 40 students per academic year that this may effect, which is \$60,000 in the current case. If we were to make it retroactive to the current academic year, is \$60,000 an estimate as to what it would cost additionally state wide?

Zastoupil: The 44 students that I indicated are graduate level. All of those may not meet the criteria for full time so we would have to go back to the institutions and see who would actually have met that criterion. \$60,000 is a fair estimate. The first cohort who was affected came up last year in the 2013-2014 year with pharmacy students. We would be looking at the last 2 years and giving them the benefit they had from not earning the full scholarship. I would say around 30 per year around \$15,000.

Chairman Flakoll: What if they dropped out?

Zastoupil: Correct. Others may be in the final semester here like the pharmacy program, but if they have already graduated and moved on, do we still disburse it retroactively? That is something that should be addressed.

Chairman Flakoll: We could pay towards their student loans.

Zastoupil: I would welcome the opportunity to do that. Another thing to think about, is the fact that a lot of the states are moving toward or have instituted rewarding students for completion rather than enrollment. There are options within the scholarship program to look at. Those students who are beyond the 12 or 15 credit minimum can be rewarded. I would be open to discussing that.

(13:35) **Erv Bren, father**

Bren: My daughter is one of the students talked about. She was awarded the North Dakota academic scholarship back in 2011 and pursuing a pharmacy degree at North Dakota State University. Recently she was notified that she was not eligible any further for the scholarship because she is taking graduate classes. This creates a hardship for the student. They go through many years of education and take out numerous loans to pay for it. In a way it seems they are being penalized for something beyond their control because they aren't graduate classes yet, but just taking some graduate classes. If there is a way to disburse this scholarship retroactively to those individuals still in school pursuing a degree that would be beneficial to all of us. They are going to be here to serve residents of North Dakota for many years to come and make a difference in the quality of life for people. I stand in support of this bill.

Chairman Flakoll: What year is your daughter in?

Bren: 4, there were 2 years of pre-pharmacy, and now there are 3.

Chairman Flakoll: When will she graduate?

Bren: 2017

Chairman Flakoll: I wonder if we should give them "x" amount of dollars to use within 6 years, undergraduate or graduate. Do you have any opinions on that?

Bren: If they are pursuing a degree, I would like to see all of them eligible for that because it encourages education. I support education and hope we can do the most we can for our students.

Chairman Flakoll: Generally the state and legislators in support of bill feel we have more state responsibility for undergraduate while with graduate school, that that is something they are doing more so on their own. We were challenged to come up with some financial numbers in terms with how many would participate in the program. With the K12 education, we feel we have total responsibility as a state, but with graduate school, they can pay tuition because it is deemed more of something they are doing for themselves. These programs have moved from us, and these scenarios weren't in play when we originally passed it with House bill 1415 in 2009. We were trying to encourage students to take

heavier loads and pushing them to a higher level beyond just the curriculum to graduate. This was our way to incentivize our students to achieve at a higher level in high school to make them more academically prepared for college. These scenarios we are talking about in this specific bill didn't exist at that time. The campuses in consort with the University system have made some adjustments. Part of it is to briskly move them into those programs and move them along to graduate and begin their career as quickly as possible.

Bren: With my daughter, I haven't had as much respect as I do now for the hours of effort they put in to receive their degree.

(21:30) **Zastoupil:** I want to point out that when we look at students who can potentially be affected in combined programs, the programs themselves were wildly different. When we look at program structure, it can be very complicated due to how different they are.

Chairman Flakoll: When is spring tuition due?

Zastoupil: generally within the first couple weeks of the semester. If we notify institutions that a child is eligible, they take that into consideration as part of the payment even if the funds have not reached the school yet.

Chairman Flakoll closes the hearing on SB 2075 and extends further discussion.

Chairman Flakoll: We will likely make effort to consolidate the four bills and amend them accordingly. We don't need 4 bills. Some of these can be bulked together. There's also consideration of splitting them up considering some don't have fiscal notes.

Chairman Flakoll closes discussion on SB 2075.

2015 SENATE STANDING COMMITTEE MINUTES

Education Committee
Missouri River Room, State Capitol

SB 2075
1/14/2015
Job # 21988 (1:55)

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Committee Work with **Anita Thomas**, Legislative Council

Minutes:

No attachments

Chairman Flakoll: The bill talks about eligibility of some of the students who are considered graduate students after their 3rd year. Should we retroactively look at providing for the current year? I wouldn't consider the first year of the biennium.

Thomas: We have to be careful of the constitutional gifting clause. As long as you're dealing with students who are in school, that's not an issue. If however you are trying to make it retroactive to those who could have perhaps taken advantage of it earlier, which would be a problem.

Chairman Flakoll closes discussion on SB 2075.

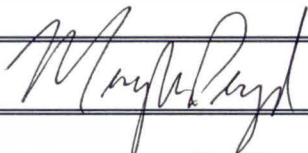
2015 SENATE STANDING COMMITTEE MINUTES

Education Committee
Missouri River Room, State Capitol

SB 2075
1/21/2015
Job # 22308 (4:09)

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

COMMITTEE WORK

Minutes:

No attachments

Vice Chairman Rust: When we first introduced these Merit Scholarships, it was to provide incentives and dollars for kids to go to college. My goal was for them to get a bachelor's degree, and if they complete early that's great. However I am not sure I want this merit program to go into the graduate level yet. I want to see kids getting state dollars across North Dakota for the 4 year degree. After that, it's another story.

Chairman Flakoll: After three years, they don't get a degree per say. You can move on to a masters or PHD program sometimes without obtaining your bachelors. I believe that is this bill's intent.

Senator Davison: There could be a duplication of students from SB 2074 and this one as well.

Chairman Flakoll: They are different.

Senator Oban: The specific example they gave us was the Pharmacy programs

Senator Davison: Can we combine this with SB 2074?

Chairman Flakoll: Possibly. There's some logic in that. Regardless of a variety of things, they are only eligible for so many dollars. They can complete an Associate's Degree in two years, go on to a separate collage; however they would have to be in the state of North Dakota to obtain their degree.

Chairman Flakoll ends the committee work on SB 2075.

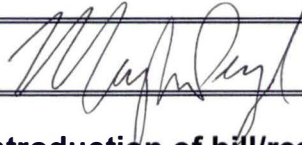
2015 SENATE STANDING COMMITTEE MINUTES

Education Committee
Missouri River Room, State Capitol

SB 2075
1/21/2015
Job # 22326 (10:18)

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

COMMITTEE ACTION

Minutes:

No attachments

Vice Chairman Rust: I don't want this to get into graduate programs.

Vice Chairman Rust motions for a do not pass.

Senator Schaible seconds the motion.

Chairman Flakoll: Senator Rust, what would you recommend for students in the early pharmacy program to do then?

Vice Chairman Rust: Perhaps I don't understand that program. Explain why this involves pharmacy students.

Chairman Flakoll: This is how they have been set up as far as moving more briskly through what has been deemed a graduate program. They could spend a year at Wahpeton, get the full scholarship, transfer to NDSU, become accepted into the program and spend 3 years there, and would have harvested the full amount of dollars. However that wouldn't have been the most efficient way for the state of North Dakota because they added an extra year on the front, which they possibly could have gotten by without.

Vice Chairman Rust: The pharmacy program only needs 3 years of undergraduate work and the fourth year they are into graduate work?

Chairman Flakoll: Yes, there are other programs similar that don't require a bachelor's degree. You can move into a program after your third year.

Vice Chairman Rust: I was not aware of that. In that case, I would like the money to go to make sure these people get that degree. Having heard the argument, I will withdraw my motion.

Senator Schaible: I will withdraw my second.

Senator Davison: I thought the testimony was very compelling and passionate. I do have concern that it will go into the graduate level, but these are specific examples that should be acknowledged.

Senator Davison makes a motion for a do pass and rereferred to Appropriations.

Senator Oban seconds the motion.

Chairman Flakoll: My thinking regarding scholarships has evolved to a new concept. I sometimes wonder if it would be more efficient if we simply gave qualified students a lump scholarship for their college careers, a gift certificate for North Dakota colleges in essence. When you look at the percent of students who stay here post-graduation, it is actually pretty impressive, both in state and out.

Senator Schaible: I agree. I've been told that our scholarships are too complicated.

Senator Davison: From some of the testimony and discussion, I think that in time we may have some testimonies to allow students to use it over the summer. Some programs are year round.

Chairman Flakoll: That's something we need to keep in mind when we look at SB 2031.

A vote was taken: Yes: 6, No: 0, Absent: 0

Senator Davison will carry the bill.

**2015 SENATE EDUCATION COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2075**

Senate Education Committee

☐ Subcommittee

Amendment LC# or Description: _____

Recommendation: ☐ Adopt Amendment
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☒ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____

Motion Made By Senator Davison Seconded By Senator Oban

Senators	Yes	No	Senators	Yes	No
Chairman Flakoll	X		Senator Marcellais	X	
Vice Chairman Rust	X		Senator Oban	X	
Senator Davison	X				
Senator Schaible	X				

Total (Yes) 6 No 0

Absent 0

Floor Assignment Senator Davison

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

REPORT OF STANDING COMMITTEE

SB 2075: Education Committee (Sen. Flakoll, Chairman) recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2075 was rereferred to the **Appropriations Committee**.

2015 SENATE APPROPRIATIONS

SB 2075

2015 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

SB 2075
1/30/2015
Job # 22875

- ☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature

Monson for Alice Delger

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to amend and reenact NDCC, relating to the North Dakota Scholarships eligibility of students in accelerated programs.

Minutes:

Testimony #1

Chairman Holmberg called the committee to order on Friday, January 30, 2015, at 9:30 am in regards to SB 2075. All committee members were present. Sheila M. Sandness, Legislative Council, and Sheila Peterson, OMB, were also present. The subcommittee for this bill will be the same as DPI: Senator Holmberg, Senator Krebsbach, and Senator Heckaman.

Senator Heckaman, District 23, introduced SB 2075 and explained what the bill does. She explained that it came as a result of information gathered over the interim by the ND University System. Last session there were questions on information they were aware of but weren't able to get legislation drafted in a proper manner. One was students that were entering programs that had changed from a 4 year undergraduate program to a graduate program later on into a 3-2 program. The ND scholarship program only gives the students access to the money when they are in undergraduate and they have six years to access it. It was no fault of the students they were not able to access their fourth year of the scholarship. The ND University System did a lot of research on this.

Another issue is that we have a number of students entering school now with a number of AP or advanced classes and dual credit classes and some may enter as sophomores and have only three years of undergraduate school. This is to allow students to access four years of the scholarship program.

The fiscal note says this is going to cost \$125,000. What we have to realize is that when Joan enters the pharmacy program at NDSU and gets a scholarship, she has access to \$6,000. When the pharmacy program cuts that off in three years and Joan isn't able to access that last \$1,500, the money goes back into the scholarship program. Actually the money is there for this right now, I believe. It just isn't being able to be accessed. So this will give the 4th year to those students. We also have a couple of other bills coming on scholarship eligibility and it was never the intention of the legislature, I don't think, to limit students to less than four years of a scholarship.

Senator Carlisle: The money is in either OMB or council? Did anybody check that?

Senator Heckaman: If I'm a student and can access four years of the scholarship but only use three, I haven't received that last \$1500 so it's in the University System budget to be used. We're not looking at more money for every student. We're looking at the money they qualified for.

Chairman Holmberg: Are there other programs besides the pharmacy program? For example, UND used to have a 3-3 program for law school. You would go 3 years, and then you would go on to law school. One of those situations is regarding one of the appointees to the Board of Higher Education. There was some confusion whether or not he was a graduate from NDSU or the eye doctor school. He never physically got a baccalaureate degree even though he went there and transferred immediately to another school. Would these people who graduate in the 3-2 year program receive a baccalaureate degree from NDSU or would they receive some other kind of degree. The reason for this question is that the constitution is very clear that you can only have 2 people from the same campus with a baccalaureate degree on the board at the same time. Would that 3-2 program allow 5 pharmacists who graduated from NDSU to serve on the board at the same time, Leg council will check into this.

Senator Sorvaag, District 45, testified in favor of SB 2075 and asked for support for this bill.

Chairman Holmberg: This legislature has made changes in these scholarship programs because of changing realities. For example, in the dental program if you went to MN you were required to go to a summer session but they weren't covered by the way the law had been written. So we made some changes. A number of years ago in the ND Scholars Program the language was that if there was money for 20 scholarships and you had 5 with the same ACT score and the same GPA, the tie was broken by the size of their graduating class. This gave preference to students in larger schools so changes were made.

Brenda Zastoupil, Director of Financial Aid for North Dakota University System testified in favor of SB 2075 and provided written Testimony - Attached # 1

Chairman Holmberg: (11:03) That would answer my question then.

She continued her testimony. (15.26)

Senator Kilzer: My question is about the timing of this bill. We've had the \$1500 per year scholarship for quite a long time? The 3-2 years have been in effect at the pharmacy school for quite a long time. Why is the bill coming now? Has it been before us in past sessions?

Ms. Zastoupil: Last year would have been the first year we saw students in their 4th year not qualifying. This is the first time this issue popped up for us.

Senator Kilzer: So when the \$1500 per year started, it wasn't until the last year or two that we've gone beyond the 3rd year. **Answer:** That is correct.

Senator Mathern: When I listen to your testimony and see the bill wording, I wonder if this wording really solves the problem. You are talking about graduate and professional programs. Why not eliminate all that and just say 4 years of scholarship for people participating and meeting their goals.

Ms. Zastoupil: I would welcome that. These students have worked very hard in high school. My daughter has worked very hard to maintain 15 credits per semesters. For her to just have the flexibility as she is moving into her masters studies if she has missed one of the semesters of eligibility due to credits. We hear that common from students in our office. That would resolve the issue - providing the scholarship up to 6 years regardless of type of program they are in. They earned it in high school. They still have to maintain a 2.75 grade point average and they have to maintain enrollment of 15 credits after the first year. It would open up the opportunity for the students.

Senator Gary Lee: In terms of the budget that you ask for each biennium, how has that gone along with the student numbers that have been accepted to get the scholarship? Have you had enough money?

Ms. Zastoupil: Yes, thus far we have. We've seen the steady growth each year as a new freshman cohort enters. We are currently seeing growth between 1400 and 1500 new freshmen coming into the program each year. Not all of those students matriculate into college and some decide to go out of state initially, so we do have some attrition. There is \$10M set aside for the students that are currently in the pipeline for the scholarships. We have funds coming back into this program that would be able to absorb the students we would fund for last year and this year potentially. We've taken that last group of 40 students off of our active list. Our attrition rate will rise slightly.

Senator Gary Lee: The fiscal note - you probably don't need the dollars. With the attrition rate and those that qualify you'll probably have enough funds to cover the cost.

Ms. Zastoupil: I would assume that given the history. But we don't have much history on this program either. Next year's freshman group could have 95% rate of enrollment. We don't have a lengthy 20 year history.

Chairman Holmberg: Attrition is one of the factors, then, and also looking at the numbers that might increase. The odds are, three - four years out, the amount of money there to sustain the students that are eligible might have to increase. You have a guess that you will lose so many people a year.

Ms. Zastoupil: Yes, and we work with DPI to track the senior classes. Getting out and working with school counselors, I've heard that they feel they have the greatest number of students that will be qualifying for this. This is a pretty new program so students are more actively engaged in it at an earlier time, as well as the high school staff. Just being a 5 year program, it takes a while to ramp up. I see the current rate of students increasing over the years.

Senator Mathern: In light of this further comment about education on this program which I think is very valuable, what if, on page 2, line 8, we just put a period after high school and eliminate lines 9 through 14. That way it would be less complicated for your counselors and others to promote this program.

You've got some complicating language in there so every school counselor has to figure that out. The consequence would be the same. It would be easier to explain.

Ms. Zastoupil: I think at this time, the students are trying to figure this out on their own. DPI sends out notices to these students with the criteria. Our office sends out information three times a year to these students and we still hear "I didn't know about that." We shouldn't make a scholarship program that difficult. Taking the whole graduate piece out of it would be an option.

Chairman Holmberg: In the sentence before that, what schools still have quarters?

Ms. Zastoupil: Rasmusson College is on quarters.

Senator Kilzer: I am wondering if the original intent of this legislation was to encourage high school graduates to go to college and if we are drifting away from that original intention.

Ms. Zastoupil: I don't think that is necessarily the case. The students still have six years to fully realize their scholarship. The students in this particular bill are not slackers. They have advanced into a professional level within a three year period. I think we are encouraging these students to complete their education and providing the support they have earned in high school.

Chairman Holmberg: We have a subcommittee and we will work with Sheila Peterson to see if there is clearer language that can be melded into this.
It was suggested it could be sent over to the House as is and he thought better to change it here if need be. He then closed the hearing on SB 2075.

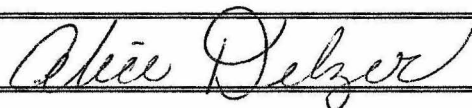
2015 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

SB 2075
2/13/2015
Job # 23808

- ☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act relating to the ND scholarship eligibility of students in accelerated programs. (Do Pass as Amended)

Minutes:

Attachments # 1 and 2.

Chairman Holmberg called the committee to order on Friday, February 13, 2015 in regards to SB 2075. All committee members were present. Brady Larson, Legislative Council, Chris Kadrmas, Legislative Council and Tammy Dolan, OMB were also present.

There was discussion held regarding the scholarship program, the amount that was paid out, and the green sheet, Attachment # 1 dated 12-19-14 was addressed.

Senator Heckaman moved the Proposed Amendment # 15.0339.01001. Attachment # 2. **2nd by Senator Robinson** . A voice vote was held and it carried.

Senator Heckaman moved a Do Pass as Amended. 2nd Senator Robinson.

Chairman Holmberg: Call the roll on a Do Pass as Amended on SB 2075.

A Roll Call vote was taken. Yea: 13; Nay: 0; Absent: 0. Senator Davison from the Education Committee will carry the bill.

The hearing was closed on SB 2075.

2/13/15
JHE

PROPOSED AMENDMENTS TO SENATE BILL NO. 2075

Page 2, line 8, remove the overstrike over "~~and may~~"

Page 2, line 8, remove the underscored period

Page 2, remove line 9

Page 2, line 10, remove "section may"

Page 2, line 10, overstrike "not"

Page 2, remove lines 11 through 14

Renumber accordingly

Date: 2-13-15
Roll Call Vote #: 1

2015 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2075

Senate Appropriations Committee

☐ Subcommittee

Amendment LC# or Description: amendment coming

Recommendation: ☒ Adopt Amendment
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar
Other Actions: ☐ Reconsider ☐ _____

Motion Made By Heckaman Seconded By Robinson

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg			Senator Heckaman		
Senator Bowman			Senator Mathern		
Senator Krebsbach			Senator O'Connell		
Senator Carlisle			Senator Robinson		
Senator Sorvaag					
Senator G. Lee					
Senator Kilzer					
Senator Erbele					
Senator Wanzek					

Total (Yes) _____ No _____

Absent _____

Floor Assignment Education

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

Voice Vote

Date: 2-13-15
Roll Call Vote #: 2

2015 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2075

Senate Appropriations Committee

☐ Subcommittee

Amendment LC# or Description: _____

Recommendation: ☒ Adopt Amendment
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☒ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar
Other Actions: ☐ Reconsider ☐ _____

Motion Made By Heckaman Seconded By Robinson

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Heckaman	✓	
Senator Bowman	✓		Senator Mathern	✓	
Senator Krebsbach	✓		Senator O'Connell	✓	
Senator Carlisle	✓		Senator Robinson	✓	
Senator Sorvaag	✓				
Senator G. Lee	✓				
Senator Kilzer	✓				
Senator Erbele	✓				
Senator Wanzek	✓				

Total (Yes) 13 No 0

Absent _____

Floor Assignment Davison Educ. Davison

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

REPORT OF STANDING COMMITTEE

SB 2075: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2075 was placed on the Sixth order on the calendar.

Page 2, line 8, remove the overstrike over "~~and may~~"

Page 2, line 8, remove the underscored period

Page 2, remove line 9

Page 2, line 10, remove "section may"

Page 2, line 10, overstrike "not"

Page 2, remove lines 11 through 14

Renumber accordingly

2015 HOUSE EDUCATION

SB 2075

2015 HOUSE STANDING COMMITTEE MINUTES

Education Committee
Pioneer Room, State Capitol

SB 2075
3/11/2015
24650

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature

Donna Whetham

Explanation or reason for introduction of bill/resolution:

Relating to the North Dakota scholarship eligibility of students in accelerated programs.

Attachment #1-2.

Minutes:

Chairman Nathe: opened the hearing on SB 2075.

Senator Joan Heckaman: District 23. Introduced SB 2075. (00:49-3:30) (See Attachment #1).

Chairman Nathe: Is this bill all new language because the only under struck language is on page 2 on line 7-9.

Senator Heckaman: No, the bill itself is the original language is from when the scholarship started. When the University system started investigating when we did the credit the external experiences, they got some calls form NDSU that students were missing that last \$1500 dollars of their fourth year. We have the change that would make it possible to use that for graduate programs.

Chairman Nathe: Just line 7-9 on page two is the only change to this bill?

Senator Heckaman: Yes. It is just the total they would receive for four years. They can use it for graduate if they are in a program that does that.

Rep Meier: They would only receive 4 years of the dollar amount but they could use it in 6 years.

Senator Heckaman: Yes, and they can use it for graduate school. This is especially important for the pharmacy students at NDSU because they were dropping that last year a losing out on that \$1500 dollars which is important.

Chairman Nathe: Did we deal with that last session with a student from Jamestown?

Senator Heckaman: That was actually the last bill on the external experiences that we had and that is how that got started and then we found out after the University System investigated that there are other programs where students that didn't qualify for the 15 or 12 credits. We are trying to get this fixed up and hopefully we don't have to revisited it again.

Rep Kelsh: How many students this will affect?

Senator Heckaman: I think it is about 40, there is a fiscal note attached to your information.

Rep Hunskor: The scholarships are for undergraduate or graduate, they can be used either way?

Senator Heckaman: Previously in the law it could only be used for undergraduate. They had 6 years to use the 4 year scholarship. This allows them 4 years to use the money but it can be used for graduate school also.

Rep Hunskor: Going to number 2 on your testimony students who come in with dual credit or advanced placement programs, they might graduate in 3 years. If they graduated and went into graduate work without this bill they can't draw any more scholarship money?

Senator Heckaman: Yes that is true. That is why we need this to allow them to draw the rest of the scholarship. The premise on the North Dakota scholarship was 4 years with \$1500 dollars a year. You can't draw that \$6000 in 3 years. You have to draw it in 4 years that is how it is apportioned out. So if you are only in school for 3 ½ years you might lose \$750 dollars of it. This would allow you to use the \$750 in your first year of graduate school.

Rep Rohr: In the bill on line 2 , why do we have accelerated programs there?

Senator Heckaman: I don't know why, I am not sure, maybe the University System can address that.

Rep Rohr: There are programs out there where you can finish 4 years in 2.5 years. I will ask the question upstairs.

Brenda Zastoupil: Director of Financial Aid, North Dakota University System: (8:29-12:15) in support of SB 2075. (See Attachment # 2).

Rep Hunskor: The students that have been denied, 44 of them, if this bill would pass would this be retroactive?

Brenda Zastoupil: That is correct. We did have that discussion with Legislative Council and a retroactive payment would be hard to implement. Many of the students still have the opportunity next year because they are still in school. They still have 6 years of eligibility.

Chairman Nathe: Any other support of 2075? Any opposition 2075? Seeing none.
Closed the hearing on SB 2075

2015 HOUSE STANDING COMMITTEE MINUTES

Education Committee
Pioneer Room, State Capitol

SB 2075
3/16/2015
24865

☒ Subcommittee
☐ Conference Committee

Committee Clerk Signature

Donna Whelan

Explanation or reason for introduction of bill/resolution:

Relating to the North Dakota scholarship eligibility of students in accelerated programs.

Minutes:

Chairman Nathe: reopened the hearing on SB 2075. This bill changes the North Dakota scholarship eligibility to permit a student to retain scholarship if the student enrolls in a graduate program after completing 3 years or fewer of an undergraduate program of up to \$6,000 dollars.

Rep Mock: This essentially would take away the penalty that a student would receive if they complete their studies earlier than the four year degree. They wouldn't be penalized if they wanted to continue on for a master's degree. They are entitled to a four year scholarship.

Chairman Nathe: Correct.

Rep Looyen: Moved Do Pass on SB 2075 with rerefer to appropriations committee.

Rep Meier: Seconded.

Rep B. Koppelman: Does it need to be rereferred, does it actually have a fiscal note?

Chairman Nathe: Yes, I am going to rerefer it.

Rep Kelsh: I think the bill does this would allow you to get the fourth year, which right now they can't.

Chairman Nathe: Right now we are penalizing someone who is ahead of the game and now they would lose the scholarship because they are on the ball. That doesn't seem right.

Rep Kelsh: If SB 2074's money would come back with that money gone out of there, what then?

Chairman Nathe: I guess we will cross that bridge when we get there. That is something we would work out with appropriations.

Rep Kelsh: I don't want to lose all that scholarship money because this is the same fund I think?

Chairman Nathe: Yes it is the same fund.

Rep Kelsh: That was appropriated probably four years ago and it just wasn't able to be used because of the qualifications they had to meet to use it and they are trying to change that. The money was turned back from the University System to this fund. So I suppose it is reappropriated to University System.

Chairman Nathe: Yes.

Rep Schreiber Beck: Is 2074 that the bill that we have here, not the one that is paid in arrears, we have a bill that pays after you completed your education?

Chairman Nathe: That is another bill we would take up today, the new loan program.

Rep Schreiber Beck: I think we should add that to this bill now to pay in arrears.

Chairman Nathe: Any other questions or discussion on the motion?

A Roll Call Vote was taken. Yes: 13 No: 0 Absent: 0. Motion carried.

Rep Schreiber Beck: will carry the SB 2075.

Date: 3/16/15
Roll Call Vote #: 1

2015 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2075

House Education Committee

☐ Subcommittee

Amendment LC# or Description: _____

Recommendation: ☐ Adopt Amendment
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☒ Rerefer to Appropriations
☐ Place on Consent Calendar
Other Actions: ☐ Reconsider ☐ _____

Motion Made By Rep. Looyen Seconded By Rep. Meier

Representatives	Yes	No	Representatives	Yes	No
Chairman Nathe	✓		Rep. Hunskor	✓	
Vice Chairman Schatz	✓		Rep. Kelsh	✓	
Rep. Dennis Johnson	✓		Rep. Mock	✓	
Rep. B. Koppelman	✓				
Rep. Looyen	✓				
Rep. Meier	✓				
Rep. Olson	✓				
Rep. Rohr	✓				
Rep. Schreiber Beck	✓				
Rep. Zubke	✓				

Total (Yes) 13 No 0

Absent 0

Floor Assignment Rep. Schreiber Beck

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

REPORT OF STANDING COMMITTEE

SB 2075, as engrossed: Education Committee (Rep. Nathe, Chairman) recommends DO PASS and BE REREFERRED to the Appropriations Committee (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2075 was rereferred to the Appropriations Committee.

2015 HOUSE APPROPRIATIONS

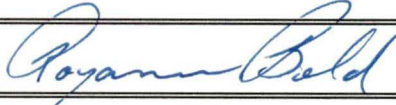
SB 2075

2015 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

SB 2075
3/24/2015
25313

- ☐ Subcommittee
☐ Conference Committee



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to amend and reenact section 15.1-21-02.6 of the North Dakota Century Code, relating to the North Dakota scholarship eligibility of students in accelerated programs

Minutes:

Chairman Jeff Delzer

Opened the meeting

Representative Mike Nathe District 30; ND scholarship programs ahead of schedule; spoke on the bill.

Chairman Jeff Delzer

Brady can you get the revised fiscal note?

What happens, could they be pocketing scholarship money?

Nathe; didn't ask, I doubt very much; the courses they take require a lot of tuition money paid. Those students need that money and have earned it. They get it done in three and then we take the fourth year away.

Chairman Jeff Delzer

Do they have to be in college to receive it?

Nathe: yes

Representative Boe

Do you know, do all high schools offer the same opportunity for dual credits?

Nathe: not all schools are equipped to offer the same dual credit or AP courses.

Representative Boe

Aren't we discriminating against some of those students?

Nathe: If the school is unable to do it, it falls at the feet of the school

Representative Nelson

To be able to graduate, you need to take a lot of dual credit courses; no scholarship fee, what is the cost?

Nathe: varies from school to school, range from \$200 to \$600

Representative Nelson

To get to the point where you graduate in 3 years, the costs are backfilled from \$1500, out of pocket on the front end instead of the back end.

Chairman Jeff Delzer

How much do we, in other bills, subsidize the dual credit at all; I think there is places we subsidize that at some degree too; not at the students level

Brady, can you check that out?

Nathe: under the current system, to get it done in 3 years, we felt it was important to change it to reward them for hard work

Representative Monson

We are confusing AP courses with college credit; every school in the state has IVAN set up in their school, if they can find a college where it is taught. There's hardly any chance to not take these courses. Is this bill for those who have been involved in year round school to get finished?

Nathe: this is for highly motivated students, because you want to get a leg up on your competition, so yes, you're correct.

Chairman Jeff Delzer: \$6,000, is that something automatically being taken care of if the 1950 change is done 1003?

Brady; yes, that would be taken care of in 2003

Brady Larsen: that would be taken care of

Chairman Jeff Delzer

Is that because that is going to be the last one done of the two or is that because they are non-conflicting?

Brady: because they are non-conflicting

Hearing closed.

2015 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

SB 2075
4/10/2015
26040

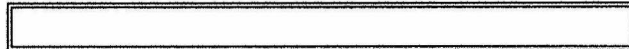
- ☐ Subcommittee
☐ Conference Committee



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to amend and reenact section 15.1-21-02.6 of the North Dakota Century Code, relating to the North Dakota scholarship eligibility of students in accelerated programs

Minutes:



Chairman Jeff Delzer: SB 2075 is a bill that deals with a scholarship eligibility of students in accelerated programs. It looks to me that when you look at the bill has to deal with people who move ahead faster and get into a graduate degree. They do a lot of that with the K-12 dual credit.

Representative Monson: I'm thinking that this one has something to do with college kids that go to summer school and finish their college degree in three years instead of four which is rather unique and they should not be penalized and should be able to get their scholarship in the summer session as if it were a semester.

Chairman Jeff Delzer: Does that do that or does this allow them to use it in the graduate course side?

Representative Monson: That would be part of that too yes. I'm not saying the only way to do it would be to take a lot of courses in high school.

Chairman Jeff Delzer: I would think the summer would qualify, does it not qualify as a semester or a quarter?

Representative Monson: I don't think so. I motion a Do Pass.

Representative Dosch: Second

Motion for a Do Pass on SB 2075.
Motion made by Representative Monson.
Seconded by Representative Dosch.

House Appropriations Committee

SB 2075

4/10/2015

Page 2

Total yes 22. No 1. Absent 0.

Motion carries.

Floor assignment Representative Dosch.

Date: 4/10/15
Roll Call Vote #: 1

2015 HOUSE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 2075

House: Appropriations Committee

☐ Subcommittee

Amendment LC# or Description: _____

Recommendation: ☐ Adopt Amendment
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar
Other Actions: ☐ Reconsider ☐ _____

Motion Made By:

Monson

Seconded By:

Dosch

Representatives	Yes	No	Absent
Chairman Jeff Delzer	✓		
Vice Chairman Keith Kempenich	✓		
Representative Bellew	✓		
Representative Brandenburg	✓		
Representative Boehning	✓		
Representative Dosch	✓		
Representative Kreidt	✓		
Representative Martinson	✓		
Representative Monson	✓		
Representative Nelson	✓		
Representative Pollert	✓		
Representative Sanford	✓		
Representative Schmidt	✓		
Representative Silbernagel	✓		
Representative Skarphol		✓	
Representative Streyle	✓		
Representative Thoreson	✓		
Representative Vigesaa	✓		
Representative Boe	✓		
Representative Glassheim	✓		
Representative Guggisberg	✓		
Representative Hogan	✓		
Representative Holman	✓		
TOTALS	22	1	0

Floor Assignment:

Dosch

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

REPORT OF STANDING COMMITTEE

SB 2075, as engrossed: Appropriations Committee (Rep. Delzer, Chairman)
recommends **DO PASS** (22 YEAS, 1 NAYS, 0 ABSENT AND NOT VOTING).
Engrossed SB 2075 was placed on the Fourteenth order on the calendar.

2015 TESTIMONY

SB 2075

#1
1/14/2015

SB 2075
SCHOLARSHIP ELIGIBILITY

Chairman Flakoll and members of the Senate Education Committee:

I am Senator Joan Heckaman from District 23 and am here this morning to present SB 2075 to you.

SB 2075 also came as a result of information gathered over the Interim by the NDUS. While having access to the North Dakota Scholarship for 4 years seems like the right approach, a few factors have led to the formation of this bill.

1. Some students who qualify for the ND Scholarship are entering programs that are 3/2 programs-3 years of undergraduate programs followed by 2 years of graduate school. These students have not been able to access their 4th year of the scholarship.
2. Students entering school with a large number of dual credit or advanced placement programs may finish their undergraduate program in less than 4 years and thus lose part of the scholarship.

The premise when the North Dakota Scholarship program was initiated was that students will have 6 years of eligibility to complete their undergraduate programs. The points listed above make that untrue for some students.

SB 2075 attempts to repair that portion of the law that discriminates against students who have entered 3/2 programs or who have entered post-secondary training with several credits earned from high school.

You will hear from a representative of the NDUS who will provide additional information and will be able to answer your questions.

Thank you for your consideration of SB 2075.

Senator Joan Heckaman

1/1

**SENATE BILL 2075
SENATE EDUCATION
JANUARY 14, 2015**

**TESTIMONY OF
BRENDA ZASTOUPIL, NDUS DIRECTOR OF FINANCIAL AID**

Good morning, I am Brenda Zastoupil, Director of Financial Aid for the North Dakota University System. I am here today to testify in support of Senate Bill 2075. The bill would help those students who now seamlessly move from an undergraduate to a graduate program after three years of college, to retain their scholarship for four full years.

The North Dakota Academic Scholarship (AC) and North Dakota Career and Technical Education Scholarship (CTE) provide for a \$1,500 annual or total of \$6,000 scholarship for qualifying, fulltime, undergraduate students attending a public, private or tribal college in the state of North Dakota. Students must maintain a 2.75 cumulative GPA to retain the scholarship. The scholarship may not be applied to graduate programs.

Students in combined programs (undergraduate-graduate/professional), often referred to as 3+2 programs or accelerated degrees, move through their academic program at a faster rate than a traditional undergraduate student. Students move through their coursework at varying rates based on program requirements and can transition from undergraduate to graduate/professional level in as few as three years. In some cases, bachelor's degrees may not even be awarded as the student moves directly into the professional degree. For example, an Occupational Therapy (OT) student completes three years at the undergraduate level and seamlessly moves into the professional OT program in year four, eventually graduating with a master's degree. The OT student does not graduate with an OT undergraduate degree. The accelerated program structure provides for a cost savings to the student, promotes timelier delivery of qualified applicants into the workforce and offers students greater program support at an earlier stage in their college career. UND currently has 8 combined degree programs (Applied Economics, Engineering, Chemistry, Computer Science, Counseling, Public Administration, Occupational Therapy, and Physical Therapy) and NDSU has 9 (Coatings & Polymeric Materials, Computer Engineering, Computer Science, Criminal Justice, Electrical Engineering, Food Science, Physics, Bachelor of Science in Architecture (BA and BLA), and Pharmacy). While not all of these programs enter a graduate level in year 4, the potential to structure these and additional programs in this manner exists.

In some programs of study, high caliber students in year 4 of their education (traditionally senior year) are losing eligibility for this scholarship as they appear to be "graduate" level. Once the career changes from undergraduate to either professional or graduate, and when financial aid changes to a graduate level, the student is deemed to be a graduate student for the purposes of administering this scholarship. However, these students have not yet (and may never) earned a

bachelor's degree. Additionally, they have advanced in their education beyond the minimum requirements. As of the 2013-14 academic year the first cohort affected by this issue appeared at NDSU in the Pharmacy program. Again in 2014-15, students at NDSU and at UND are being affected. The result of the current legislation is that high-caliber accelerated students have lost scholarship eligibility.

Since fall 2013, 44 students have been defined as graduate students within this scholarship program and have been denied a scholarship disbursement. These students had from between \$750 to \$4,500 in remaining eligibility on their state scholarship. We estimate that an additional 30 students per year may qualify for the \$750 per semester scholarship if SB2075 is adopted. Degree progress is a critical factor in scholarship eligibility and students who are in a program of study that advances them beyond the minimum requirement should continue to be eligible for four full years of the program.

The North Dakota University System supports the proposed change that would provide academically advanced students the opportunity to potentially earn their scholarship for four full years even if they enter graduate level studies after completing only 3 or fewer years. Students would still be required to maintain fulltime enrollment and a minimum GPA of 2.75. No other provisions of the scholarship program would be set aside.

I ask for your favorable support of SB2075. I am happy to answer any questions.

SB2075

Senate Appropriations

January 30, 2015

Brenda Zastoupil, Director of Financial Aid

701.224-2541 | brenda.zastoupil@ndus.edu

Good morning, I am Brenda Zastoupil, Director of Financial Aid for the North Dakota University System. I am here today to testify in support of Senate Bill 2075. The bill would help those students who now seamlessly move from an undergraduate to a graduate program after three years of college, to retain their scholarship for four full years.

The North Dakota Academic Scholarship (AC) and North Dakota Career and Technical Education Scholarship (CTE) provide for a \$1,500 annual or total of \$6,000 scholarship for qualifying, fulltime, undergraduate students attending a public, private or tribal college in the state of North Dakota. Students must maintain a 2.75 cumulative GPA to retain the scholarship. The scholarship may not be applied to graduate programs.

Students in combined programs (undergraduate-graduate/professional), often referred to as 3+2 programs or accelerated degrees, move through their academic program at a faster rate than a traditional undergraduate student. Students move through their coursework at varying rates based on program requirements and can transition from undergraduate to graduate/professional level in as few as three years. In some cases, bachelor's degrees may not even be awarded as the student moves directly into the professional degree. For example, an Occupational Therapy (OT) student completes three years at the undergraduate level and seamlessly moves into the professional OT program in year four, eventually graduating with a master's degree. The OT student does not graduate with an OT undergraduate degree. The accelerated program structure provides for a cost savings to the student, promotes timelier delivery of qualified applicants into the workforce and offers students greater program support at an earlier stage in their college career. UND currently has 8 combined degree programs (Applied Economics, Engineering, Chemistry, Computer Science, Counseling, Public Administration, Occupational Therapy, and Physical Therapy) and NDSU has 9 (Coatings & Polymeric Materials, Computer Engineering, Computer Science, Criminal Justice, Electrical Engineering, Food Science, Physics, Bachelor of Science in Architecture (BA and BLA), and Pharmacy). While not all of these programs enter a graduate level in year 4, the potential to structure these and additional programs in this manner exists.

In some programs of study, high caliber students in year 4 of their education (traditionally senior year) are losing eligibility for this scholarship as they appear to be "graduate" level. Once the career changes from undergraduate to either professional or graduate, and when financial aid changes to a graduate level, the student is deemed to be a graduate student for the purposes of administering this scholarship. However, these students have not yet (and may never) earned a bachelor's degree. Additionally, they have advanced in their education beyond the minimum requirements. As of the 2013-14 academic year the first cohort affected by this issue appeared at NDSU in the Pharmacy program. Again in 2014-15, students at NDSU and at UND are being affected. The result of the current legislation is that high-caliber accelerated students have lost scholarship eligibility.

Since fall 2013, 44 students have been defined as graduate students within this scholarship program and have been denied a scholarship disbursement. These students had from between \$750 to \$4,500 in remaining eligibility on their state scholarship. We estimate that an additional 30 students per year may qualify for the \$750 per semester scholarship if SB2075 is adopted. Degree progress is a critical factor in scholarship eligibility and students who are in a program of study that advances them beyond the minimum requirement should continue to be eligible for four full years of the program.

The North Dakota University System supports the proposed change that would provide academically advanced students the opportunity to potentially earn their scholarship for four full years even if they enter graduate level studies after completing only 3 or fewer years. Students would still be required to maintain fulltime enrollment and a minimum GPA of 2.75. No other provisions of the scholarship program would be set aside.

The fiscal impact of the change was not built into the NDUS budget request or the executive recommendation. It is estimated that an additional 40 students per year would qualify for a payment under this proposed change, an impact of \$60,000 per year, or an additional \$120,000 per biennium.

I ask for your favorable support of SB2075. I am happy to answer any questions.

FISCAL NOTE
Requested by Legislative Council
12/19/2014

Bill/Resolution No.: SB 2075

- 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.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$120,000		\$120,000	
Appropriations			\$120,000		\$120,000	

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 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).*

Changes ND Scholarship eligibility to permit a student to retain scholarship if the student enrolls in a graduate program after completing only three or fewer years of an undergraduate program up to \$6,000 total or four years.

- 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.*

Estimated additional 40 students would retain their scholarship in year four of their 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.*

None

- 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.*

Estimated additional 40 students would retain their \$1,500/yr scholarship in year four of their program, at a cost of approximately \$60,000 per year or \$120,000 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.*

Estimated additional 40 students would retain their \$1,500/yr scholarship in year four of their program, at a cost of approximately \$60,000 per year or \$120,000 per biennium.

2075
#1
2-13-15

Name: Laura Glatt

Agency: ND University System Office

Telephone: 701-328-4116

Date Prepared: 01/05/2015

15.0339.01001
Title.

Prepared by the Legislative Council staff for
Senator Heckaman
February 13, 2015

#2
2-13-15
SB 2075

PROPOSED AMENDMENTS TO SENATE BILL NO. 2075

Page 2, line 8, remove the overstrike over "~~and may~~"

Page 2, line 8, remove the underscored period

Page 2, remove line 9

Page 2, line 10, remove "section may"

Page 2, line 10, overstrike "not"

Page 2, remove lines 11 through 14

Renumber accordingly

SB 2075
SCHOLARSHIP ELIGIBILITY

#1
SB 2075
3/11/15

Chairman Nathe and members of the House Education Committee:

I am Senator Joan Heckaman from District 23 and am here this morning to present SB 2075 to you.

SB 2075 also came as a result of information gathered over the Interim by the NDUS. While having access to the North Dakota Scholarship for 4 years seems like the right approach, a few factors have led to the formation of this bill.

1. Some students who qualify for the ND Scholarship are entering programs that are 3/2 programs-3 years of undergraduate programs followed by 2 years of graduate school. These students have not been able to access their 4th year of the scholarship.
2. Students entering school with a large number of dual credit or advanced placement programs may finish their undergraduate program in less than 4 years and thus lose part of the scholarship.

The premise when the North Dakota Scholarship program was initiated was that students will have 6 years of eligibility to complete their undergraduate programs. The points listed above make that untrue for some students.

SB 2075 attempts to repair that portion of the law that discriminates against students who have entered 3/2 programs or who have entered post-secondary training with several credits earned from high school by amending the language on Page 2, lines 7-9. The fiscal note is similar to that in SB 2074 in that the money has been appropriated when the student received the scholarship in their freshman year of college but students have been unable to access the 4th year to no fault of their own. The fiscal note indicates that this change will help approximately 40 students access their full North Dakota Scholarship.

You will hear from a representative of the NDUS who will provide additional information and will be able to answer your questions.

Thank you for your consideration of SB 2075.

Sen. Heckaman

SB2075

House Education

March 11, 2015

Brenda Zastoupil, Director of Financial Aid

701.224-2541 | brenda.zastoupil@ndus.edu

I am Brenda Zastoupil, Director of Financial Aid for the North Dakota University System. I am here today to testify in support of Senate Bill 2075. This bill would help those students who now seamlessly move from an undergraduate to a graduate program, to retain their scholarship for four full years if it has not yet been fully awarded.

The North Dakota Academic Scholarship (AC) and North Dakota Career and Technical Education Scholarship (CTE) provide for a \$1,500 annual or total of \$6,000 scholarship for qualifying, fulltime, undergraduate students attending a public, private or tribal college in the state of North Dakota. Students must maintain a 2.75 cumulative GPA to retain the scholarship. Under current legislative rules, the scholarship may not be applied to graduate programs.

The proposed change in SB2075 was prompted by students in combined programs of study. Students in combined programs (undergraduate-graduate/professional), often referred to as 3+2 programs or accelerated degrees, move through their academic program at a faster rate than a traditional undergraduate student. Students move through their coursework at varying rates based on program requirements and can transition from undergraduate to graduate/professional level in as few as three years. In some cases, bachelor's degrees may not even be awarded as the student moves directly into the professional degree. The accelerated program structure provides for a cost savings to the student, promotes timelier delivery of qualified applicants into the workforce and offers students greater program support at an earlier stage in their college career. UND currently has 8 combined degree programs (Applied Economics, Engineering, Chemistry, Computer Science, Counseling, Public Administration, Occupational Therapy, and Physical Therapy) and NDSU has 9 (Coatings & Polymeric Materials, Computer Engineering, Computer Science, Criminal Justice, Electrical Engineering, Food Science, Physics, Bachelor of Science in Architecture (BA and BLA), and Pharmacy). While not all of these programs enter a graduate level in under 4 years, the potential to structure these and additional programs in this manner exists.

Degree-progress is a hallmark feature of the North Dakota scholarships and students who enter graduate or professional level of study prior to fully realizing their \$6,000 scholarship could now fully earn their award if this change were implemented. High caliber students who have advanced in their education beyond the minimum standards would no longer be penalized by losing eligibility. As of the 2013-14 academic year the first cohort affected by this issue appeared at NDSU in the Pharmacy program. Again in 2014-15, students at NDSU and at UND are being affected in additional programs. Since fall 2013, 44 students have been defined as graduate students within this scholarship program and have been denied a scholarship disbursement. These students had from between \$750 to \$4,500 in remaining eligibility on their state scholarship. We estimate that an additional 30 students per year could qualify for the \$750 per semester scholarship if SB2075 is adopted.

The North Dakota University System supports the proposed change that would provide academically advanced students the opportunity to potentially earn their scholarship for four full years even if they enter graduate level studies. Students would still be required to maintain fulltime enrollment requirements and a minimum GPA of 2.75. No other provisions of the scholarship program would be set aside.

I ask for your favorable support of SB2075. I am happy to answer any questions.