

**FISCAL NOTE**  
**Requested by Legislative Council**  
**02/02/2017**

Amendment to: HB 1353

- 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.*

	2015-2017 Biennium		2017-2019 Biennium		2019-2021 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>				\$0		\$0
<b>Expenditures</b>				\$0		\$0
<b>Appropriations</b>				\$0		\$0

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

	2015-2017 Biennium	2017-2019 Biennium	2019-2021 Biennium
<b>Counties</b>			
<b>Cities</b>			
<b>School Districts</b>			
<b>Townships</b>			

- 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).*

Engrossed HB1353 directs Legislative Management to consider studying the feasibility and desirability for a senior year tuition waiver program at state-funded institutions.

- 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.*

The bill as amended has no fiscal impact to higher education.

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.*

- 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.*

- 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.*

**Name:** Tammy Dolan

**Agency:** ND University System

**Telephone:** 328-4116

**Date Prepared:** 02/03/2017

**FISCAL NOTE**  
**Requested by Legislative Council**  
**01/26/2017**

Amendment to: HB 1353

- 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.*

	2015-2017 Biennium		2017-2019 Biennium		2019-2021 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$0		\$0
Expenditures				\$0		\$0
Appropriations				\$0		\$0

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

	2015-2017 Biennium	2017-2019 Biennium	2019-2021 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).*

Engrossed HB1353 requires the State Board of Higher Education (SBHE) to study the feasibility and desirability for a senior year tuition waiver program at state-funded institutions.

- 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.*

The study would be conducted by existing staff members, and as a result, there is no fiscal impact to the bill.

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.*

- 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.*

- 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.*

**Name:** Tammy Dolan

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**Date Prepared:** 01/27/2017



**FISCAL NOTE**  
**Requested by Legislative Council**  
**01/16/2017**

Revised  
 Bill/Resolution No.: HB 1353

- 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.*

	2015-2017 Biennium		2017-2019 Biennium		2019-2021 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>				\$(53,100,000)		\$(53,100,000)
<b>Expenditures</b>				\$53,100,000		\$53,100,000
<b>Appropriations</b>				\$53,100,000		\$53,100,000

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

	2015-2017 Biennium	2017-2019 Biennium	2019-2021 Biennium
<b>Counties</b>			
<b>Cities</b>			
<b>School Districts</b>			
<b>Townships</b>			

- 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).*

HB1353 would provide a full tuition waiver for the senior year, or equivalent time period, for graduates of ND high schools attending ND state institutions of higher education. BND undivided profits would be used to fund the waivers.

- 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.*

The bill provides a waiver of tuition costs related to the senior year, or equivalent time period, of education at a ND state institution of higher education for graduates from ND high schools or home education programs.

Students attending four-year institutions would receive a waiver for no more than two semesters in which the individual is designated a senior. Students in two-year programs would receive a waiver for one-semester. Students in certificate programs would receive a waiver for twenty-five percent of the tuition cost of the program.

The waiver amount must be calculated net of scholarships, grants or other waivers to which the student is entitled.

Students may only receive one waiver under the program.

The State Board of Higher Education (SBHE) is required to develop an application form and procedures to administer the 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.*

The bill would reduce tuition revenue of state institutions of higher education by an estimated \$53.1 million. The number of ND high school graduates enrolled in certificate and associates degree programs, as well as the number of seniors in bachelor programs, at ND institutions during the 2016 spring, summer and fall semesters served as the basis for the calculation. FY2016-17 tuition rates were used. Scholarships, grants, and waiver dollars received by these students were deducted.

- 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.*

BND expenditures would increase by \$53.1 million and would be used to offset the tuition revenue loss.

- 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.*

The required special fund appropriation for this bill was not included in the executive recommendation.

**Name:** Tammy Dolan

**Agency:** ND University System

**Telephone:** 328-4116

**Date Prepared:** 01/17/2017

**2017 HOUSE EDUCATION**

**HB 1353**

# 2017 HOUSE STANDING COMMITTEE MINUTES

**Education Committee**  
Coteau A Room, State Capitol

HB 1353  
1/25/2017  
Job 27385

☐ Subcommittee  
☐ Conference Committee

Committee Clerk Signature

## Explanation or reason for introduction of bill/resolution:

Relating to the creation of a senior year tuition waiver program for North Dakota students attending North Dakota university system institutions.

## Minutes:

Attachment 1.

**Chairman- Mark S. Owens:** opens hearing on HB1353.

**Representative Anderson:** attachment 1 for testimony.

**Chairman- Mark S. Owens:** are there any questions.

**Vice Chairman- Cynthia Schreiber-Beck:** is there any thoughts to keeping strings attached, that if we want to keep our workforce in North Dakota, is necessarily paying for their senior year, and obviously scholarships that do not have strings, but to keep our people here or our well educated students here, have you ever thought of strings being attached.

**Representative Anderson:** yes, I might be open to some strings. I would need some help from the department of higher education to do something like that. I do know in visiting with them, my initial was if you were a North Dakota resident, and you are a senior, and they suggested why not graduate from a North Dakota high school. And that made a lot more sense to me, so that is where that came from.

**Rep. Ron Guggisberg:** as long as we are on the discussion of attaching requirements to this, the last couple of sessions there has been bills for merit base scholarships, would you be open to something like that as an amendment where they had to earn certain grades or income threshold if it would bring the dollar amount down.

**Representative Anderson:** you know I did think about that and talked to various people, but if we do it as a kind of a thank you for the parents for all those years of paying for real estate taxes, and I think that for instance a school says that whatever your grade point is, I do not think we should differentiate, if they qualify to be a senior, they are a senior in my opinion.



**Rep. Corey Mock:** Any chance we can tie that merit base to the scores of civics tests, about the conversation we had this morning. Is there a residency requirement or have you considered a length of time that a person would have to reside in North Dakota in order for their student their child to be eligible for a senior promise proposal?

**Representative Anderson:** no I did not, which is not a bad idea either. It is just, have you graduated from a North Dakota high school.

**Chairman- Mark S. Owens:** any other questions.

**Rep. Brandy Pyle:** What about the situation, if my child went out of state to MSU or Moorhead for three years and transferred back to NDSU and then we give them a free ride, and they are not part of our community, not part of our state, they are across the border.

**Representative Anderson:** if they graduated from a North Dakota high school, that is where I think these dollars should be spent, because of having paid taxes and real estate taxes here. I am open to any kind of amendments; this would be an incredible addition to our workforce.

**Chairman- Mark S. Owens:** I am not sure, I am not sitting on the supreme court, I am curious of a possible constitutional issue in paying for somebody's college that the state actually based on the current constitution, the way it is written actually turning around and paying for an individual's college, and as much as giving them a check, which we are not allowed to do based on the constitution, and I do not know if this falls under that or not, and I am not saying that it does. I am saying it does come into mind.

**Representative Anderson:** I know we could not give it directly to them, that is why the funds would have to go to directly to the colleges so it's more like a scholarship program which I know we can do. I do not have any, that is information that I was given.

**Chairman- Mark S. Owens:** any other support for HB 1353

**Richard Rothaus:** I am here to testify in support of HB 1353, enthusiastically in support. You know we would show up enthusiastically in support of anything that makes money come in our direction, but I am here for another reason of enthusiasm. Representative Anderson came into our office and sat down with us, and started to explain this idea, and it took a while for me to wrap my head around it. This is a very novel idea, it might be a genius idea, the issue of college affordability, and getting the state citizens to move into college into an appropriate level into the workforce is something that every state in the country is studying it, struggling with, or they are paying the price for not struggling with it. The most common manifestation of it is, let's do free community college programs. I am surprised in fact that we have not seen more push for this here in North Dakota, Minnesota has a version of that, South Dakota has a version of that, we are getting some competition in those areas. The problems with those programs, there are problems that come with it. There are some things I really love about this senior year idea; one is it focuses on completion. In the end it does not matter how many students we enroll on the front end of a degree or a certificate program, it matters how many students complete that program, it also matters on the fiscal side, even though it sounds like you will make a whole lot more money if you have those students enroll



even with just for the freshman year, you actually do not. If the students do not complete their degree it becomes a fiscal burden on the institution, because it is in the first couple of semesters that students require a lot of support. Once they get into the senior year or the junior year they are pretty much on track, they are going to be ok. By focusing on completion we do not unnecessarily deflate the number of students coming into college. That is a big deal and that is a problem, if you google what is wrong with free community college programs, everyone says completion. That is where the error lies, this solves that. If you get someone to senior year or the equivalent in the two-year degree or certificate program they are certainly going to complete, unless life intervenes in a certain way that takes them out of the program. I also like this proposal because it supports students where they need. If we create a program like free community college, students can gravitate toward community colleges, because it is free, and this program and Representative Anderson did a great job in writing it out proportionately, if what you need in life is a certificate a very short time and higher learning it is in here. If you need a two-year degree it is in here, if you need a four-year degree it is in here. One of the other problems states are working toward free tuition plans, it is really hard to figure out how to include the four year degrees into these programs, and they default to well we will suck it up and pay for two years so send them to community college, that is not for economic development. There are a great deal of jobs in the state that require a two year degree, and we need to have students work through those programs. There is a whole lot of jobs in economic development that will require the four-year degree, that is only going to get bigger not smaller. So we need to be looking forward to that reality. The third point and this is going to sound a little odd, this is a program that bets on winners. The state only has so much money that can be directed to supporting students in college, we have and need to have programs in place that get everyone into college, and successful into college that we can possibly do. In the end when you have limited money you have to decide that sometimes you are going to invest in a sure bet, and this is a program where students themselves will have demonstrated they are the sure bet. They made it, and getting onto a senior year or almost completing your senior year is not just a question of being smart or academic aptitude or money. It has an awful lot to do with self-discipline, with being able to organize your life in a way to pull it off, with maturity. With all these other intangible factors that we cannot analyze for and ask the student, by the way are you mature enough to actually do this, we have no way to tell and frankly the student does not know either. I did not, that is why I needed to get a PhD, it took me that long to grow up, and get out of college. My fourth point, and this has been discussed a little bit, this is a program that rewards families to stay here in North Dakota, one way to get people to come to North Dakota and stay in North Dakota is to get. Kind of sort of works, maybe. But there is another way that everyone knows is a sure fire winner, if you get a family to North Dakota, and you keep them in North Dakota they are going to stay. Or if you get people to come to North Dakota and start a family, they are going to stay. So this gives us a double benefit in that arena in keeping people in North Dakota, not only are we graduating students from North Dakota colleges may stay, to be a part of this program your family has to have been in North Dakota, and stayed in North Dakota long enough to have their student graduate from a North Dakota high school. I think that may be the more powerful option in this setup, not the graduation from North Dakota State university or BSC. A family who put down roots long enough to get their student to graduate from North Dakota high school, that could be extremely attractive to keeping North Dakota families as well as bringing families in. This transitions me to my fifth point, this is easy, it is very easy to understand. It is also easy to administer, as it is written, certainly it will get more complicated as it grows, but it is pretty straight forward, did you graduate from a North Dakota



high school, are you making adequate progress toward the degree or certificate you are working on. One of the problems with financial aid, and college affordability is the complexity of the options that are out there, people become overwhelmed, they get panicked, they give up even when they are  $\frac{3}{4}$  of the way through an application, they will come to something, and it is just too much, and they give up. This is easy to forget, especially for a professional bureaucrat it is really easy for me, but not easy for the students and the families trying to navigate higher education and financial aid. Anything that we can offer and also market that is simple, is going to give us a whole leg up in promoting college readiness and preparedness, and most importantly completion in the state of North Dakota. My 6<sup>th</sup> point is what keeps someone from going to Moorhead, and transferring back into one of our system colleges for the senior year, that lid is pretty tightly closed, all of our programs have a residency requirement that says you have to have taken so many of your credits at our college before we will offer you a degree. And that is not a door that we can open back up just to profit off of because it is tied to accreditation, it helps shut down degree mills. Otherwise it would be possible for us or any corrupt college to send someone off to someone to a fly by night institution and bring them in for the last finishing semester to get a reputable name on it. That door is firmly closed, we probably will keep an eye on it, just to make sure it does not get opened back up, it is something we thought about pretty much immediately as well. But I think we are ok there. I will end my testimony, and ask for questions.

**Chairman- Mark S. Owens:** are there any questions

**Rep. Corey Mock:** I like how you had mentioned that this would be an opportunity to get people to come and stay in North Dakota, beyond just cold winters. Would you happen to have data available that shows graduation rates right now within our institutions of students that are enrolled vs students that graduate within a six years of a four-year institution and three and a half to four years in a two-year institution.

**Richard Rothaus:** yes, we do have that data it is on our dashboard, but I can prepare it on an easy to read format, and send it to you.

**Rep. Corey Mock:** on page one of the bill lines 18 and 19 it says, and this is related directly to the four year, but it says that the two semesters in which the individuals designated a senior by the institution, am I to read that to presume that they would be a senior by credits, so if the student were a senior at a four-year program and they achieve senior status four and a half years in that the final two semesters would be eligible for the tuition waiver.

**Richard Rothaus:** yes basically, designation of senior's status gets far trickier than anyone would imagine, because it is set by a number of credits completed, and by the time a student is approaching what we would traditionally call a senior year there is such good chance they have taken a semester off, there is one semester where they took extra credits. If we try to designate it as a spring or fall the students would fall within the cracks. For financial aid purposes, and administrative purposes each institution has a definition of what constitutes that terminal year, and we can use that.

**Rep. Corey Mock:** my understanding is that it is roughly less than 25% of students at a four-year institution that graduate within 4 years. Is there a way at phrasing this so that we are encouraging speedy graduation or completion of a program? So there is an incentive for the



institution as well as the student to work through their program of study, do it in a timely fashion, and if they do that they would be eligible for a senior year tuition waiver. Is there a way of phrasing the language that we are ensuring a timely completion of programs of study?

**Ricahrd Rothaus:** certainly there is a way to do that, and you are correct the number of students who graduate varies by institution to institution, but it's both for us, national, and regional for 4 year degrees 25% of student's graduate in four years. Looking at numbers by myself, I do not actually worry about that 4-year number so much, I worry about the six-year graduation rate in part because of so much of that, the issue is related to the student's credit taking behavior, an awful lot of the students decide to take a year off in the middle, and there is nothing we can do about that. So I like to look at the six year especially the fifth year, there is good reason to encourage the student to move along faster, I am not a fan of saying you have to do it in four years because there are many students where they have great opportunities, they can go off and do a mission in Guatemala, all kinds of interesting things that are great for them. But certainly we want to apply the pressure towards faster, rather than slower completion. An easy way to do that is to require the students to register for a full time load, which is similar with what we do with the CTE and academic scholarships.

**Rep. Dennis Johnson:** you talk about having a leg up in this legislation, we are talking about the colleges are under the control of the state board of higher education, do you feel that we have an unfair advantage.

**Richard Rothaus:** I will always at in favor of the North Dakota university system for obvious reasons, I think in terms of development of the state and its citizens, the legislature should take a look on how this can be extended to a larger group of colleges and universities. Than just the North Dakota University system. Frankly in North Dakota it's not like we are competing against 20 other institutions, there is 2. It is something that is not included in my testimony, but not out of hostility because of who I work for.

**Rep. Matthew Ruby:** I assume you will not be in favor of something like this, but instead of transferring what I would be paying to the state, what about a true waiver system where pretty much the university systems are offering that senior year for free not at the cost of the state bank. That would take care of yours, you can open it up to private.

**Richard Rothaus:** not sure if I understand the question, but can we just do waivers and make it happen, that would be a fiscal burden, we would not be able to support.

**Chairman- Mark S. Owens:** any other questions. Since the bill says that the bank of North Dakota would transfer each semester, the cost of the tuition, my question is how do we know they graduated. If they do not graduate because they got tired, any number of things. How do we get the money back, do you the university system give it back to the bank of North Dakota?

**Richard Rothaus:** No, but we are seriously. There are ways we can work through that, I do not now know that it should be really high on the list of things to worry about, because a number of students who make it to senior year, and are close of finishing a degree that do not do not do it is relatively small. If it does happen it is usually because of some catastrophic



event or problem. Even then it is not that they fail out, and disappear in the middle of a term. Sometime when things become free these things can happen, but it is nothing to worry about.

**Chairman- Mark S. Owens:** I agree with you if they have over three years, those are the people that have the drive to finish. You want them to be merit based, there are a number of other points, and the current environment is the budget point. I imagine in our discussions that there will be a few more questions. Thank you for your input so far.

**Rep. Corey Mock:** the tuition waiver, the student would still be responsible for the other fees associated with the campus correct? My follow up question, and to the chairman's point would that concern be alleviated if we were to rewrite this in a way that it would not be a senior tuition year waiver, but a senior year tuition reimbursement. Upon completion their tuition is reimbursed not weighed on the front end, in other words you go in your senior year, and if you do not complete you have to pay for it, but if you do complete, and you meet all the other criteria we will reimburse you the cost of your tuition. There is not risk to the state, and the bank of North Dakota, and it encourages the completion to the program.

**Richard Rothaus:** I would defer to our financial aid experts for that, I think there are ways to safeguard the states money so that if those situations arise, they can be dealt with. I will use the opportunity to insert a semi editorial reply also as where these programs have come forward to states as Representative Anderson has noted, they do not come forward and get proposed and then put into existence in the same session, I would be delighted to see it happen, I think it is important to have serious and detailed discussion, because we wait for that perfect moment for this to happen or an equivalent program to happen, it is not going to arrive, so we should start discussing now.

**Chairman- Mark S. Owens:** any additional support for, any opposition for 1353, any opposition to 1353.

**Eric Hardmayer:** We have no opinion on the merits of the program itself, we are engaged in financing higher ed from our college save programs to our scholarship program or student loan programs, so we understand all of the challenges brought up today. We are not here to argue against the merits of the program, we certainly understand those issues. In the current biennium the bank of North Dakota has pulled on for 257 million dollars for contributions to the general fund, 100 million has been used to balance the budget for the special session, 100 million dollars for infrastructure programs, 40 million for buy down programs, and all of the profits we have made for this biennium which is about 260 million. The 53 million dollars, the bank of North Dakota we are unsure what is going to be to support the general fund. There is a range of 140 to 200 million so far coming out of our profits to support the general fund. In addition of that the bank of North Dakota pays its own way in terms of supporting its own economic programs, there is another 41 million coming out of our profits this year to support our buy down programs including flex pace, and a number of school construction buy down. if you look at that in total, there is a minimum of 131million to a maximum of 231 million that is coming out of the bank we are projecting our profits to be in the next 2 years to be around 260 million. We need to worry about capital levels we need to leave some in there for capital growth. I am not here to disparage the program. Please consider those as you go forward with your deliberation.

**Chairman- Mark S. Owens:** are there any questions.

**Rep. Ron Guggisberg:** as an investor, you are a banker but it is a different bank that you manage, and it belongs to the state and the taxpayers, citizens of North Dakota. You mentioned some programs that the banks invest in, along with giving money to the general fund, and it sounds like we are going to have some good discussion on this proposal, and maybe study it a little longer. If we look at this, and it seems like a fairly low risk program, because these students have almost completed their schooling, and it is going to keep them in the state. As an investor, if the return on investment is better for this than other programs wouldn't you want us to invest this money in this for our citizens

**Eric Hardmayer:** I make no stance on the merit of this program, I think you have to deliberate that public policy issue, I am looking at the bank from a capitalization standpoint only so much of our capitol can be taken from the bank. It is up to you to decide as legislators as a public policy issue to determine how to use those transfers, if you decide in your collective wisdom, that you want to fund this program as part of our contribution to this state general fund, yeah I think that is certainly your call to make. So we do not have a real opinion on how you spend the dividend or the transfer. That is really your call to make, how you want to spend the transfer. We make no position to the merit of the program.

**Rep. Ron Guggisberg:** that was a good political answer, I thought I was supposed to be the politician, and you were supposed to be the banker.

**Chairman- Mark S. Owens:** you and I have talked about capitol at the banks. What is your capital ratio right now?

**Eric Hardmayer:** 12 percent. With all the draws that we talked about, and all the future draws we anticipate that we will be around 10 percent which is our benchmark. Chairman-Mark S. Owens you and I worked on this issue years ago, now we are at a better capital position than we were 5 to 6 years ago.

**Chairman- Mark S. Owens:** Keeping it in double digits has always made me happy for your bank and for others. any final questions. Anyone opposed to 1353. Neutral testimony for HB 1353.



# 2017 HOUSE STANDING COMMITTEE MINUTES

Education Committee  
Coteau A Room, State Capitol

HB 1353  
1/25/2017  
Job 27423

☐ Subcommittee  
☐ Conference Committee

Committee Clerk Signature

## Explanation or reason for introduction of bill/resolution:

Relating to the creation of a senior year tuition waiver program for North Dakota students attending North Dakota university system institutions.

## Minutes:

No attachments.

**Chairman- Mark S. Owens:** opened discussion for HB 1353.

**Rep. Corey Mock:** what is going around and all of you, and will in the moment is an amendment to hog house a bill, and turn it into a study, the hearing had a lot of support from the state board of higher education, and the university system. I will admit, I came into this not even fully understanding the potential benefits that a program like this could offer, so to attest to this is rather enlightening in knowing that programs of the sort in other states have taken some time to develop and mature, with that said there was some really good questions on effectiveness, and funding sources whether we would tie anything such as GPA requirements, any post-graduation requirements whether it could be reimbursement vs waiver. What would define a resident for the purposes of eligibility, I think there is at the very least warrants a little more discussion or investigation in the interim, or at least make it an option so if the course of the session, and as we get into the interim, that if the desire is there and it is chosen as a study that maybe we come back and look at something, maybe there is a funding source, and a type geographically based scholarship program that could be entertained by the legislature, and proposed by an interim committee. I would hate to see a good idea killed strictly by fiscal note, and poor timing, my motion here my amendment that is before you simply brings a lot of the questions and concerns that were brought up and it places it into the form of a study, and it gives a chance to give a deeper look at that topic through the interim.

**Chairman- Mark S. Owens:** is that a motion Rep. Corey Mock? We have a motion for amendment from Rep. Corey Mock, and seconded by Rep. Brandy Pyle.

**Rep. Brandy Pyle:** I like the fact that we are putting it into a study, and obviously we cannot fund anything like this. I am not super in love with this type of thing, but there are people in Fargo that go across to Moorhead to Park Christian, they would not qualify for this even though they pay taxes in North Dakota. There is a lot of holes in this yet, I am not just one



to give out free education, I paid for my own I joined the military, and I got a 50% tuition reimbursement in my four years that I went, but I worked hard, the maturity issue that they are talking about, you definitely get in the military. You do not have to choose the path I did, and everybody has their own path. All the issues with maturity, and sticking through to graduate, paying for it, it is addressed by other means other than awarding, just because you are here we are going to give you free tuition, I do not like that, that is my opinion.

**Rep. Corey Mock:** I have some of the same concerns, there are a lot of those questions that can emerge, and being another representative from a border city as well, if a student from Grand Forks graduates from Sacred Heart from East Grand Forks, are they eligible, they are Grand Forks resident but they graduated from Sacred Heart in Minnesota. I think that would be the purpose of the study. If this were selected we would look into that, we make scholarship eligibility we do have recognized reciprocity with those who attend the across border school, but are North Dakota residents. And I also like the point of, is this the most effective approach for it, it would give the interim committee, if this were selected, and it's a shall consider, it is not even a guarantee that it will be selected. But if selected they can look into all those factors, and even more to see if this is something worth proposing to the next session.

**Rep. Brandy Pyle:** you know if they did join the national guard, they would be here for 6 years.

**Chairman- Mark S. Owens:** that is certainly a point of the study.

**Rep. Pat D. Heinert:** Rep. Corey Mock I see nothing in here about the points that were made about keeping students here in North Dakota after they graduate.

**Rep. Corey Mock:** what I did is to sum it up, to consider studying and may include but not limited to, and then if you go and this is not numbered, but five lines from the bottom post-graduation requirements, it was brought up as residency or staying in the state a period time or if there were any other ties that you would want to add to this type of a program. Whether it is simply residing in North Dakota following graduation or if you wanted to tie it to a certain degree or program of study or it is fairly open that we can consider any post-graduation requirements that we would want to consider as part of a senior year tuition waver program.

**Rep. Pat D. Heinert:** I agreed with that. It was specified very specifically in testimony that part of the whole reasoning behind this is to keep North Dakota kids in North Dakota. After they graduate and gain employment in North Dakota, and I am not quite sure my mind post resident post-graduation requirements really says that. I think it should be spelled out because that is what really was part of initial testimony, a strong part of initial the initial testimony is.

**Chairman- Mark S. Owens:** Rep. Corey Mock turning in the study though, is to help determine. There were questions that were not brought up, that I had but because of the direction of it, I was not worried about it, because it will come up during the interim committee if the study is picked. If the study is not picked it is a moot point, because they can bring it again and we will still have the same questions, and we will still have the same situation, and we will have to turn and say well we either have to vote it down or say we cannot get all the



answers we want, that is the importance of the study is to, and what you are talking about which is very to the point of any program like this was, exactly what was the goals of the program. And that interim committee would have to do their investigation, and then decide what type of goals they would want, and if they do a bill and bring it to the house, and then the house would decide if that is the type or the senate, it could be a senate bill to start out, we never know decided whether they want that to be the goals. And then of course we would get to adjudicate everything from interim, every two years.

**Rep. Corey Mock:** one thing I wanted to add, I want to keep the language open. And to Chairman- Mark S. Owens points that I am hoping that this would be an inclusive, and not an exclusive list of considerations that we would evaluate in the interim if it were even selected, the other thing, and I don't know if we have talked spoken about this about this committee, and maybe it has been brought up in another committee. The importance of legislative intent. The role of committee conversation and dialog and the importance the minutes that we get actually frame the legislative intent, so if this were selected and it were investigated the fact that this was brought up as a concern that there are residency requirements post-graduation with the tuition waiver, that we would want to investigate that and look more into that as a part of this program. Just having it on record as something we would want to know would suffice, because the legislative council and legislative management would take into consideration the minutes from this hearing they were working on a study following this conversation. If this something you would explicitly want investigated and look into if this were studies simply saying it on the record would suffice and make sure that that is a consideration brought up in the interim.

**Chairman- Mark S. Owens:** any additional comments, questions.

**Rep. Corey Mock:** If it would put any members mind at ease, I would be happy to include or amend this to further amend if you wanted to include anything. Just want to make sure that all the options are there. Certainly not opposed to further amending the amendment before us, but I think it would be covered.

**Chairman- Mark S. Owens:** Based on the studies I have done I tend to agree Rep. Corey Mock that listing post-graduate requirements is part of what the study is supposed to be, could include staying in the state, or working in the state or whatever. And I give an example, someone mentioned military earlier, it's not unusual to get tuition assistance and for every semester you are in you are required to stay in the military twice as long, that is what the government does in a lot of their programs. When I say government in that context I am referring to the Feds.

**Rep. Brandy Pyle:** if you still have the tuition reimbursement from the feds, and you go on us you are double dipping, that could be one of the many issues. That could make a lot of simple things complicated.

**Chairman- Mark S. Owens:** Good point, it reminds me of pre 1986, you could get a BEOG grant, and you can have the military paying 75% of your tuition, the grant went in and paid the other 25% you could go to the book store, and get all the books you wanted, and at the end of the quarter they sent you a check, and you actually got paid to go college, so I am



familiar with that scenario, President Reagan changed that on me, and I lost that year of my money. Back to the bill.

**Rep. Ron Guggisberg:** I am a little conflicted here, because so when we study these things it is going to be another 2 years before we can maybe make a decision on it, and one thing that I heard in the governor's state of the state speech was that the world is changing very fast right now, and I think our education system needs to as well. But I also understand where we are at financially in the state, and where the bill will probably end up. I guess I appreciate Rep. Pat D. Heinert's comments, as this study is worded right now we look at what the benefits are, and not really what the outcome is going to be, so this talks about giving free tuition away, but it does not talk about why we are giving free tuition away necessarily, and I think we should spell those goals out either on the record right now or formally in the study.

**Chairman- Mark S. Owens:** Rep. Ron Guggisberg I appreciate the point, but for this committee to spell out the specific goals, and to lock into the interim committee's study and not allow them to fully investigate all the parameters, it bothers me a little bit, because in looking at what Rep. Corey Mock put together it talks about the definition of residency for the purpose of the program, that is one thing. The duration of the tuition waiver once an individual is designated a senior, that is a good point, by an institution. The necessity funding mechanism for the program, the maximum total waiver available to individual students, and I would even add to the program as whole, in order for it to be budget able, GPA requirements, post-graduation requirements, merit based requirements, if any none of these have to be included, but it opens the door, it says you will study this, and it opens the door for the committee to decided yay or nay. And the effectiveness of these vs the post-graduation tuition reimbursement program. Is there something on that list you would like to laundry list to add to it.

**Rep. Ron Guggisberg:** Mr. Chairman no, the point I was trying to make is, what is the outcome that this is going for.

**Chairman- Mark S. Owens:** changing it to a study?

**Rep. Ron Guggisberg:** what is the outcome of the program that they should study, do we want people to stay in North Dakota, do we want to train a workforce, do we measure things that we don't.

**Chairman- Mark S. Owens:** that is the point, yes. See to me that is the program goal. What is the program goal and if we are going to study the program what are the goals of the program? Because that would help define some of the answers to the questions, I do not disagree with you. I just disagree that we should spell it out for them, and force them into that cubby hole, we should leave it open to allow the interim committee, and I am hoping for an interim education committee, we have had higher education, but we have not had a K-12 one in a little while. So that would be good. Any further discussion.

**Rep. Rich S. Becker:** would the language be worded the following items provide, the following bullet point items are things suggested for the consideration by the interim study, it does not lock them in, it's just saying these are some proposed.

**Chairman- Mark S. Owens:** I understand and that is the way the study reads, the study may include but not limited to. SO it already says that in a sense. It does not bullet point them; it just separates them by comma.

**Rep. Corey Mock:** if it makes people a little more comfortable on Rep. Ron Guggisberg point, we could simply just add after one of the commas the objectives of the senior tuition waiver program, because we do not actually spell out it to include, we certainly can just add it in, and for the purposes of discussion I can move to add the phrase the objectives of a senior tuition waiver program to the list, and I would ask that Kyle work it in there.

**Chairman- Mark S. Owens:** You want to say objectives or you want to say goals.

**Rep. Corey Mock:** Honestly I would be open to a friendly consideration on that, objective or goals, the whole point there is just to make sure that that is written down, and explicitly mentioned what the goals of the program are.

**Chairman- Mark S. Owens:** Before we act on that, any further discussion. We already have a motion on the table.

**Rep. Corey Mock:** This is to further amend, yep to further amend. I would probably out it, honestly it would either be the first or the second. The study may include but is not limited to, I would do the objectives of a senior tuition waiver program, the definition of residency. So I would make that the first bullet point.

**Chairman- Mark S. Owens:** we sure we do not need to approve the amendment, and then further amend it.

**Rep. Corey Mock:** we can further amend.

**Chairman- Mark S. Owens:** just double checking. I don't think I have done one yet.

**Rep. Corey Mock:** Eddie is not going to return my phone calls because it is another piece of paper he is filling out.

**Chairman- Mark S. Owens:** that was a motion to further amend, is there a second to that. Rep. Corey Mock was the person to make a motion to further amend the amendment, and Rep. Ron Guggisberg seconded that motion. Is there any discussion to the amendment of the amendment? All those in favor say I, and all those opposed say the same. It passes on a voice vote.

**Chairman- Mark S. Owens:** now we have an amended version of the amendment in front of us that includes similar language, and we have a motion on the table. I will let Eddie catch up with us. I will do a voice vote on this, which is to adopt the amended amendment. All those in favor say I, and those opposed same sign. It passes. Now we have an amended bill in front of us.



**Chairman- Mark S. Owens:** what is the committees pleasure.

**Rep. Corey Mock:** I make a motion for a do pass as amended.

**Chairman- Mark S. Owens:** we have a motion for a do pass as amended, is there a second? Seconded by Rep. Ron Guggisberg. Is there any discussion? We have created a study now.

**Rep. Brandy Pyle:** I have a question, how much do studies cost, I know they do not come free, so on average how much does it cost to do one.

**Chairman- Mark S. Owens:** Usually an interim committee has multiple studies, so then you have multiple studies, and multiple responsibilities for catching reports, so the interim committee meeting anyways because of statutory requirements for reporting or various other things, so then they also have on top of that sometimes, studies to do. For example, my last interim committee we did not have any studies, all we did was reports the whole time, we did not have any studies. So because of the economy of scale, there is very little additional cost due to the study, unless the study causes additional meetings. But I cannot answer your question on exactly how much it costs. Any further discussion.

**Chairman- Mark S. Owens:** we will ask the clerk to do a roll call vote on HB 1353 which is now a study. 11-2-1 Rep. Dennis Johnson was the person that was absent.

**Rep. Bill Oliver:** is this to create a study, or is this for the passage of the bill.

**Chairman- Mark S. Owens:** this is to pass the bill as a study, so it may or may not be selected by the legislative management. I am sorry, let me make sure that all the new people understand this, when there is a study, when you create a bill and you turn it in to a study it goes into a hopper. The legislative management which is a collection of the house and senate members that are elected near the end of the session, by the body they act as management for the legislature during the interim, and they will take all the studies that are in the hopper, they will select which ones that they believe are necessary to study and there will be a vote, and they will go through their process, and then they will divide up those studies into various interim committee, and then you will receive in the mail early June or in the e-mail your options to pick which interim committees you wish to be on, and at that point you make that selection, and they will assign you, and usually everybody gets their interim committee, that is pretty easy, and you get assigned to the interim committees, and the studies will be done by the interim committees. Having said that, it does not mean that the legislative management will pick every study that is available either, they may opt not to pick them, in which we made it into a study and it died. By virtue of not being selected to be studied. So that is the way a study works, does that answer your question.

**Rep. Bill Oliver:** yes.

**Chairman- Mark S. Owens:** who would like to carry this, Rep. Longmuir chooses to carry this bill. That is all I had today.



# 2017 HOUSE STANDING COMMITTEE MINUTES

**Education Committee**  
Coteau A Room, State Capitol

HB 1353  
2/1/2017  
Job 27740

☐ Subcommittee  
☐ Conference Committee

Committee Clerk Signature

## Explanation or reason for introduction of bill/resolution:

Relating to the creation of a senior year tuition waiver program for North Dakota students attending North Dakota university system institutions.

## Minutes:

Attachment 1.

Chairman- Mark S. Owens: this was a bill that was returned to committee because of 2 or 3 words, we just want to straighten out who is supposed to review for the study Rep. Brandy Pyle.

Vice Chairman- Cynthia Schreiber-Beck: Chairman- Mark S. Owens, I have the amendments, I think we should pass them out (attachment 1).

Chairman- Mark S. Owens: it has my name on it. Kyle would you print out a copy of HB 1353. You can go ahead and make the motion and we can discuss it.

Vice Chairman- Cynthia Schreiber-Beck: I make a motion to move this amendment on HB 1353.

Chairman- Mark S. Owens: we have a motion from Vice Chairman- Cynthia Schreiber-Beck, and a second from Rep. Denton Zubke to adopt the amendment. We will wait now for copies, and double check what we are doing.

Rep. Rich S. Becker: the amendment says on page 2 line 28 replace, my bill does not have a line 28.

Chairman- Mark S. Owens: we already amended it once and sent it out of here, that is why I am getting the bill for you. Rep. Rich S. Becker when you get the bill it will be only one page anyways. Then you can ask your question again, and then we will tell you it is supposed to read page one line 5 and 6. (some silence because we are getting our paperwork in order).

Vice Chairman- Cynthia Schreiber-Beck: you want me to withdraw my motion.

Chairman- Mark S. Owens: please because the clerk is going to have to adjust a couple of things, and we do not need to waste everybody's time right now.

Vice Chairman- Cynthia Schreiber-Beck: I will withdraw my motion.

Chairman- Mark S. Owens: who was your second, and the clerk has to make a couple of adjustments, I want to make sure everything is right, and everybody is looking at what they need to look at before you are asked to vote on the amendment, so we will get it this afternoon here or later this morning.

# 2017 HOUSE STANDING COMMITTEE MINUTES

**Education Committee**  
Coteau A Room, State Capitol

HB 1353  
2/1/2017  
Job 27736

☐ Subcommittee  
☐ Conference Committee

Committee Clerk Signature 

## Explanation or reason for introduction of bill/resolution:

Relating to the creation of a senior year tuition waiver program for North Dakota students attending North Dakota university system institutions.

## Minutes:

No attachments

Chairman- Mark S. Owens: let's do HB 1353 first, because that is a simple changing who does the study.

Vice Chairman- Cynthia Schreiber-Beck: here is the amendment. I think that is corrected now, so you can look at that. The lines are correct I believe. Basically we are replacing state board of higher education with legislative management. Shall consider studying vs shall study.

Chairman- Mark S. Owens: is that a motion Vice Chairman- Cynthia Schreiber-Beck, seconded by Rep. Longmuir. Ok, we have a motion and a second to the adopt amendment. Is there any discussion. I will do a voice vote to adopt the amendment, amendment passes. What is the committees wishes.

Vice Chairman- Cynthia Schreiber-Beck: I move for a do pass on HB 1353 as amended.

Chairman- Mark S. Owens: ok, we have a do pass motion as amended for HB 1353 from Vice Chairman- Cynthia Schreiber-Beck, and a second from Rep. Longmuir. Is there any discussion.

Rep. Pat D. Heinert: I have a question in reference to Representative Delzer talked about on the floor yesterday, in reference to telling higher education to do studies, I am wondering if this is going to affect his comments at all yesterday.

Chairman- Mark S. Owens: we are changing to legislative management. If we direct them to do a study, technically we can direct them to do a study, but we better fund it, and that is always the problem. What we have run across in the past, just to let all of you know is, for some reason every time there has been a study where we directed another agency to do it, it has a minimum cost of \$50,000 apparently. That's what immediately what stuck in the

fiscal note, so this way we are taking it to the legislative management, and we will do the study during the interim as it should have been written the first time anyway, because that was the intent. If selected, they do not always select it. Ok, any other questions or comments, seeing none I will tell the clerk to do a roll call vote for a do pass as amended for HB 1353. 11-2-1, and Rep. Longmuir will carry the bill.



January 25, 2017

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1353

Page 1, line 1, after "A BILL" replace the remainder of the bill with " for an Act to provide for a study of the creation of a college tuition waiver or reimbursement program.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. STATE BOARD OF HIGHER EDUCATION STUDY - SENIOR TUITION WAIVER OR REIMBURSEMENT PROGRAM.** During the 2017-18 interim, the state board of higher education shall study the feasibility and desirability of the development of a state tuition waiver or reimbursement program for college seniors at institutions of higher education under the control of the board. The study must consider designing a program to waive or reimburse tuition expenses at these institutions for students who are North Dakota residents who graduated from a high school in this state or completed a program of home education supervised in accordance with chapter 15.1-23. The study may include the objectives of a senior tuition waiver or reimbursement program, the definition of residency for purposes of the program, the duration of a tuition waiver once a student is designated a senior by the institution, the necessary funding mechanisms for the program, the maximum total waiver or reimbursement amounts available to individual students, grade point average requirements, post-graduation requirements, merit-based requirements, and the effectiveness of tuition waivers versus post-graduation reimbursement. The state board of higher education shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-sixth legislative assembly."

Renumber accordingly

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1353

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for a legislative management study of the creation of a college tuition waiver or reimbursement program.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. LEGISLATIVE MANAGEMENT STUDY - SENIOR TUITION WAIVER OR REIMBURSEMENT PROGRAM.** During the 2017-18 interim, the legislative management shall consider studying the feasibility and desirability of the development of a state tuition waiver or reimbursement program for college seniors at institutions of higher education under the control of the state board of higher education. The study must consider designing a program to waive or reimburse tuition expenses at these institutions for students who are North Dakota residents who graduated from a high school in this state or completed a program of home education supervised in accordance with chapter 15.1-23. The study may include the objectives of a senior tuition waiver or reimbursement program, the definition of residency for purposes of the program, the duration of a tuition waiver once a student is designated a senior by the institution, the necessary funding mechanisms for the program, the maximum total waiver or reimbursement amounts available to individual students, grade point average requirements, post-graduation requirements, merit-based requirements, and the effectiveness of tuition waivers versus post-graduation reimbursement. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-sixth legislative assembly."

Renumber accordingly

Date: 1/25/17Roll Call Vote # 2

**2017 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1353**

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 ☒ Further amend.

 Motion Made By Rep. Mock Seconded By Rep. Guggisberg

Representatives	Yes	No	Representatives	Yes	No
Chairman- Mark S. Owens			Rep. Andrew Marschall		
Vice Chairman- Cynthia Schreiber-Beck			Rep. Bill Oliver		
Rep. Rich S. Becker			Rep. Brandy Pyle		
Rep. Pat D. Heinert			Rep. Matthew Ruby		
Rep. Dennis Johnson			Rep. Denton Zubke		
Rep. Mary Johnson			Rep. Ron Guggisberg		
Rep. Donald W. Longmuir			Rep. Corey Mock		

Total (Yes) \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment Rep. \_\_\_\_\_

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

The study may include but is not limited to, I would do the objectives of a senior tuition waiver program, the definition of residency, would make that the first bullet point.

Voice vote to add further amendment. Passes.



Date: 1/25/17

Roll Call Vote # 1

2017 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1353

House Education Committee

☐ Subcommittee

Amendment LC# or Description: Hog house amendment

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. Mock Seconded By Rep. Pyle

Representatives	Yes	No	Representatives	Yes	No
Chairman- Mark S. Owens			Rep. Andrew Marschall		
Vice Chairman- Cynthia Schreiber-Beck			Rep. Bill Oliver		
Rep. Rich S. Becker			Rep. Brandy Pyle		
Rep. Pat D. Heinert			Rep. Matthew Ruby		
Rep. Dennis Johnson			Rep. Denton Zubke		
Rep. Mary Johnson			Rep. Ron Guggisberg		
Rep. Donald W. Longmuir			Rep. Corey Mock		

Total (Yes) \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment Rep. \_\_\_\_\_

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

Voice vote. Passes



Date: 1/25/17Roll Call Vote # 3

**2017 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1353**

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. Mock Seconded By Rep. Guggisberg

Representatives	Yes	No	Representatives	Yes	No
Chairman- Mark S. Owens	✓		Rep. Andrew Marschall	✓	
Vice Chairman- Cynthia Schreiber-Beck	✓		Rep. Bill Oliver	✓	
Rep. Rich S. Becker	✓		Rep. Brandy Pyle		✓
Rep. Pat D. Heinert	✓		Rep. Matthew Ruby		✓
Rep. Dennis Johnson	AB		Rep. Denton Zubke	✓	
Rep. Mary Johnson	✓		Rep. Ron Guggisberg	✓	
Rep. Donald W. Longmuir	✓		Rep. Corey Mock	✓	
	6			5	2

Total (Yes) 11 No 2Absent 1 Dennis JohnsonFloor Assignment Rep. Longmuir

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

created a study.

Date: 2/1/17Roll Call Vote # 1

**2017 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1353**

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. Schreiber-Beck Seconded By Rep. Longmuir

Representatives	Yes	No	Representatives	Yes	No
Chairman- Mark S. Owens			Rep. Andrew Marschall		
Vice Chairman- Cynthia Schreiber-Beck			Rep. Bill Oliver		
Rep. Rich S. Becker			Rep. Brandy Pyle		
Rep. Pat D. Heinert			Rep. Matthew Ruby		
Rep. Dennis Johnson			Rep. Denton Zubke		
Rep. Mary Johnson			Rep. Ron Guggisberg		
Rep. Donald W. Longmuir			Rep. Corey Mock		

Total (Yes) \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment Rep. \_\_\_\_\_

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

Page 1, line 4 replace "the state board of higher education" with "legislative management."  
 Page 1, line 5-6 replace "the state board of higher education" with "legislative management."  
 Page 1, line 6 after "shall" remove "study" Page 1, line 6, after "shall" insert "consider studying."

**Noice vote, amendment passed**

Date: 2/1/17Roll Call Vote # 2

**2017 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1353**

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. Schreiber-Beck Seconded By Rep. Langmuir

Representatives	Yes	No	Representatives	Yes	No
Chairman- Mark S. Owens	✓		Rep. Andrew Marschall	✓	
Vice Chairman- Cynthia Schreiber-Beck	✓		Rep. Bill Oliver	✓	
Rep. Rich S. Becker	✓		Rep. Brandy Pyle		✓
Rep. Pat D. Heinert	✓		Rep. Matthew Ruby		✓
Rep. Dennis Johnson	✓		Rep. Denton Zubke	✓	
Rep. Mary Johnson	✓		Rep. Ron Guggisberg	✓	
Rep. Donald W. Longmuir	✓		Rep. Corey Mock	AB	
	7			4	2

Total (Yes) 11 No 2Absent 1 MockFloor Assignment Rep. Langmuir

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



**REPORT OF STANDING COMMITTEE**

**HB 1353: Education Committee (Rep. Owens, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (11 YEAS, 2 NAYS, 1 ABSENT AND NOT VOTING). HB 1353 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with " for an Act to provide for a study of the creation of a college tuition waiver or reimbursement program.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. STATE BOARD OF HIGHER EDUCATION STUDY - SENIOR TUITION WAIVER OR REIMBURSEMENT PROGRAM.** During the 2017-18 interim, the state board of higher education shall study the feasibility and desirability of the development of a state tuition waiver or reimbursement program for college seniors at institutions of higher education under the control of the board. The study must consider designing a program to waive or reimburse tuition expenses at these institutions for students who are North Dakota residents who graduated from a high school in this state or completed a program of home education supervised in accordance with chapter 15.1-23. The study may include the objectives of a senior tuition waiver or reimbursement program, the definition of residency for purposes of the program, the duration of a tuition waiver once a student is designated a senior by the institution, the necessary funding mechanisms for the program, the maximum total waiver or reimbursement amounts available to individual students, grade point average requirements, post-graduation requirements, merit-based requirements, and the effectiveness of tuition waivers versus post-graduation reimbursement. The state board of higher education shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-sixth legislative assembly."

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**HB 1353: Education Committee (Rep. Owens, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (11 YEAS, 2 NAYS, 1 ABSENT AND NOT VOTING). HB 1353 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for a legislative management study of the creation of a college tuition waiver or reimbursement program.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. LEGISLATIVE MANAGEMENT STUDY - SENIOR TUITION WAIVER OR REIMBURSEMENT PROGRAM.** During the 2017-18 interim, the legislative management shall consider studying the feasibility and desirability of the development of a state tuition waiver or reimbursement program for college seniors at institutions of higher education under the control of the state board of higher education. The study must consider designing a program to waive or reimburse tuition expenses at these institutions for students who are North Dakota residents who graduated from a high school in this state or completed a program of home education supervised in accordance with chapter 15.1-23. The study may include the objectives of a senior tuition waiver or reimbursement program, the definition of residency for purposes of the program, the duration of a tuition waiver once a student is designated a senior by the institution, the necessary funding mechanisms for the program, the maximum total waiver or reimbursement amounts available to individual students, grade point average requirements, post-graduation requirements, merit-based requirements, and the effectiveness of tuition waivers versus post-graduation reimbursement. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-sixth legislative assembly."

Renumber accordingly

**2017 TESTIMONY**

**HB 1353**

Testimony on House Bill 1353

House Education Committee

January 25, 2017

Pamela Anderson, Representative District 41

This bill is a senior year scholarship program. One individual referred to it as the Senior Promise. If you graduate from a North Dakota high school, or North Dakota equivalent school (home schooled, GED) and can enroll as a senior at one of our state universities as a full time student, we will pay your base tuition for two semesters. This would include if a student is enrolled in a degree program at a two-year institution for their final semester. Also, if a student is enrolled in a certificate program, they would receive a tuition waiver for 25% of the cost.

So, if the student does what it takes to complete 75% of their schooling through student loans, working, parental support, whatever, when they get to the point where Valley City University says you are a senior, we will pay for your senior year. Just think about this, we will have more nurses, teachers, welders, accountants, engineers, entrepreneurs- all professions. North Dakota will have the most skilled, degreed work force in the nation. I believe we will have students that are in their late twenties, thirties that dropped out of college as a junior, but really wanted to be a teacher to come back to school. Perhaps some of our students that graduated from high school, went away to college but decided to come to North Dakota. They will be more likely to stay in



the state after graduating than an out-of-state student we are doing tuition waivers.

I look at this program as a "thank you" to all the parents across the state that paid real estate taxes to support K-12 all those years. We will invest \$5,500 to \$7,500 in your child who worked so hard to get to be a senior at one of our institutions.

So let's address the fiscal note. I actually was rather pleased at the note. I know \$53.1 million is a big number, \$26.55 million a year. Last session I came with a no interest student loan. The President of the Bank of North Dakota testified against the bill. I know the bank has to make money and I am so fine with that. Eric Hardmeyer runs a very good bank, envy of many states. During the years of 2013-2015 their earnings grew from \$94.2M to \$130.7M. A headline in one publication reads- Bank of North Dakota Soars Despite Oil Bust.

Student loans grew from \$1.1 billion to over \$1.3 billion over the same time period. We have the best student loan program in the country. I just think we should use some of the earnings we generate from students for students.

I don't know what the earnings of the Bank were last year, but I did read a headline that they were expected to be \$150 million. Even if we assume that earnings do not grow over the next couple of years. \$26.55 million a year for this program is only 17.7% of the bank's annual earnings, less than what the student loan portfolio brings to bottom line. I can't come up with a better program for our state and our kids future.



I know this "Senior Promise" is not going to go anywhere this session, but I would hope as a state we don't just dismiss it completely forever. No other state does this. Some states pay for community college and some for four year degrees. Commodity prices and oil prices will go up again. We need to continually look at solutions for a skilled, educated workforce. The mission of the Bank of North Dakota is economic development so this program works for me.

January 25, 2017

PROPOSED AMENDMENTS TO HB 1353

- Representative Mock

Page 1, line 1, after "A Bill" replace the remainder of the bill with "for an Act to create a legislative management study relating to the creation of a senior year tuition waiver program for North Dakota students attending North Dakota university system institutions.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. LEGISLATIVE MANAGEMENT STUDY – SENIOR TUITION WAIVER**

**PROGRAM.** During the 2017-2018 interim, the state board of higher education shall consider studying issues related to the state's development of a tuition waiver program for college seniors at North Dakota university system institutions. The purpose of the study should be to design a program to waive or reimburse tuition expenses at institutions under the control of the board of higher education for students who are North Dakota residents and either graduated from high schools in North Dakota or completed programs of home education supervised in accordance with chapter 15.1-23. The study may include, but is not limited to: The definition of residency for the purposes of the program; the duration of the tuition waiver once an individual is designated a senior by the institution; the necessary funding mechanisms for the program; the maximum total waiver amounts available to individual students; grade point average requirements; post-graduation requirements; merit based requirements; and the effectiveness of tuition waivers versus post-graduation tuition reimbursement. The state board of higher education shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-sixth legislative assembly."

Renumber accordingly

January 31, 2017

PROPOSED AMENDMENT TO HOUSE BILL NO. 1353

-Rep Owens

Page 2, line 28 replace "the state board of higher education" with "legislative management"



January 31, 2017

PROPOSED AMENDMENT TO HOUSE BILL NO. 1353

-Rep Owens

Page 1, line 4 replace "the state board of higher education" with "legislative management

Page 1, line 5-6, replace "the state board of higher education" with "legislative management"

Page 1, line 6, after "shall" remove "study"

Page 1, line 6, after "shall" insert "consider studying"