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Operator's Signature

Dorinda H. Hall

10/2/03

Date

2003 HOUSE EDUCATION

HB 1126

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Dorena G. Ballantyne
Operator's Signature

10/2/03
Date

2003 HOUSE STANDING COMMITTEE MINUTES
BILL/RESOLUTION NO. HB 1126

House Education Committee

☐ Conference Committee

Hearing Date January 14, 2003

Tape Number	Side A	Side B	Meter #
1	x		120-631
Committee Clerk Signature <i>Linda Fuchtnur</i>			

Minutes:

Chairman Kelsch open hearing on bill.

SUPPORT

(180-500) Peggy Wipf, Director of Financial Aid, North Dakota University System Office.

See Attached Testimony.

Q. Rep. Williams : I'm concerned with why you want to decrease the number of recipients by almost 1000?

A. Wipf: I would think we would not go to the maximum at \$1000, at best we would increase the increments to 700/800/900. As the cost goes up it will help out the neediest students.

Q. Rep. Williams: Helping less students?

A. Wipf: Yes.

(615) OPPOSITION - none

(631) Closed hearing on HB 1126

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Donna Hall
Operator's Signature

1/21/03
Date

2003 HOUSE STANDING COMMITTEE MINUTES
BILL/RESOLUTION NO. HB 1126

House Education Committee

☐ Conference Committee

Hearing Date January 14, 2003

Tape Number	Side A	Side B	Meter #
1		x	3680-3869
Committee Clerk Signature <i>Linda Fuchter</i>			

Minutes:

Chairman Kelsch open hearing on bill.(3690)

read title of bill:

What are the wishes of the committee.

Chairman Kelsch : Rep. Jon Nelson recommends a DO PASS, Rep. Haas seconds the motion.

Committee discussion; Hearing none roll was taken. DO PASS 12 yea 2 no 0 absent. Rep. Meier

will carry the bill to the floor.

closed(3869)

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Deanna Hall
Operator's Signature

10/2/03
Date

FISCAL NOTE
Requested by Legislative Council
01/02/2003

Bill/Resolution No.: HB 1126

1A. 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.*

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

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

2001-2003 Biennium			2003-2005 Biennium			2005-2007 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

HB1126 would permit the State Board of Higher Education (SBHE) to increase the amount of the student financial assistance grant from \$600 to up to \$1,000 per recipient, if determined necessary by the SBHE. The SBHE would consult the statutory advisory board, which is comprised of public, private and tribal college representatives, a high school counselor and a post secondary student, concerning any changes to the grant award amount.

The student financial assistance grant program (more commonly referred to as the state grant program) currently provides a \$600 grant to students based on financial need. The current 2001-03 funding available for the program is \$2.9 million from general fund, other fund and federal fund sources. At \$600 per recipient, this will support an average of 2,500 students per year in the current 01-03 biennium. During the 2002-03 school year, a total of 32,412 students applied for the grant.

The 2003-05 executive budget recommendation provides a block grant or pooled appropriation for all student grant programs, including the state grant program, to the SBHE for allocation. The block grant funding for all programs for 03-05 represents a hold-even budget (same as 01-03 levels). If one assumes that the SBHE does not reallocate funds between grant programs within the block grant, the state grant program would be able to fund approximately 2,545 grants per year at \$600 per student. If the SBHE chose to increase the grant award to the maximum of \$1,000, as proposed in the legislation, the program would be able to fund approximately 1,525 grants per year in 03-05. The amount of the award will be based, in part, on the level of funding appropriated by the legislature. It is unlikely that the amount of the grant award would be increased if no additional funding is provided.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

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Operator's Signature

Date

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, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.

Name:	Laura Glatt	Agency:	NDUS
Phone Number:	328-4116	Date Prepared:	01/03/2003

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Deanna Holladay
Operator's Signature

10/2/03
Date

Date: January 14, 2003

Roll Call Vote #: 1

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1126

House HOUSE EDUCATION Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken DO PASS

Motion Made By Rep. Nelson Seconded By Rep. Haas

Representatives	Yes	No	Representatives	Yes	No
Chairman Kelsch	x				
Rep. Johnson	x				
Rep. Nelson	x				
Rep. Haas	x				
Rep. Hawken	x				
Rep. Herbel	x				
Rep. Meier	x				
Rep. Norland	x				
Rep. Sitte	x				
Rep. Hanson		x			
Rep. Hunsakor	x				
Rep. Mueller	x				
Rep. Solberg	x				
Rep. Williams		x			

Total (Yes) _____ 12 No _____ 2

Absent _____ 0

Floor Assignment Rep. Meier

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

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Deanna Hall
Operator's Signature

10/2/03
Date

REPORT OF STANDING COMMITTEE (410)
January 15, 2003 12:50 p.m.

Module No: HR-07-0583
Carrier: Moler
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE
HB 1126: Education Committee (Rep. R. Kelsch, Chairman) recommends DO PASS
(12 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). HB 1126 was placed on the
Eleventh order on the calendar.

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Deanna Bell
Operator's Signature

1/2/03
Date

2003 SENATE EDUCATION

HB 1126

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Deanna Holbrook
Operator's Signature

10/2/03
Date

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1126

Senate Education Committee

☐ Conference Committee

Hearing Date 3-4-03

Tape Number	Side A	Side B	Meter #
1	x		14.0 - 33.7
Committee Clerk Signature <i>Andrea Johnson</i>			

Minutes: CHAIRMAN FREBORG called the committee to order. Roll Call was taken with all (6) members present.

CHAIRMAN FREBORG opened the hearing on HB 1126 which relates to the maximum amount for student financial assistance program grants.

Testimony in support of HB 1126:

MIKE HILLMAN, Vice Chancellor for Academic and Student Affairs for ND University System, presented testimony. (see attached) His testimony also included a graph showing Students Receiving State Grant Dollar Awarded by Institution Type. (see attached). This program is managed by Peggy Wipf.

SENATOR FLAKOLL asked if they would go from \$600 to \$1000 to each student or would it be incremental. MR. HILLMAN stated the \$1000 would be the statutory limit that can be awarded.

SENATOR FLAKOLL asked if it wouldn't be better to give less dollars to more students. MR.

HILLMAN stated they balance the need with the dollars available and he feels this is the best

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Dan Hall
Operator's Signature

10/2/03
Date

Page 2
Senate Education Committee
Bill/Resolution Number HB 1126
Hearing Date 3-4-03

way to serve students. If the maximum limit is increased, fewer students would receive the dollars, but the most needy would.

SENATOR COOK asked how they determine parental contribution. MR. HILLMAN stated there is a formula based on the federal form and worksheet which helps them obtain the percentage that the parents are responsible for.

SENATOR LEE asked if a student is eligible, do they get the whole \$600. MR. HILLMAN said yes.

SENATOR FREBORG asked about the history of the appropriation for this program. MR. HILLMAN said the funding for the program has been stable for a number of years.

SENATOR COOK asked about the unmet need of a student. He wonders why some have such a greater amount of unmet need. Is it because they are going into a program or field that will take an extensive college education, or is it because they are going to a higher priced private college. MR. HILLMAN stated that because the priority is the highest unmet need, the students attending private institutions or those needing extensive education would probably have a greater unmet need.

SENATOR LEE asked if there is an average cost per year per student. MR. HILLMAN said usually colleges have a base cost per year listed in their literature.

SENATOR FLAKOLL asked if this is only for a four year degree. MR. HILLMAN stated it is only for an undergraduate degree. SENATOR FLAKOLL asked if the applicants have to meet criteria to be eligible. MR. HILLMAN stated they must meet the federal financial aid requirements and he thinks the state requires the same.

Page 3
Senate Education Committee
Bill/Resolution Number HB 1126
Hearing Date 3-4-03

SENATOR TAYLOR asked if this program will give grants to more students attending private institutions. MR. HILMAN stated it probably would because the cost is usually greater.

SENATOR CHRISTENSON asked how the dollars are distributed. MR. HILLMAN stated it is a one time grant and is distributed by semester. SENATOR CHRISTENSON asked if the money goes directly to the student.

PEGGY WIPF, DPI, explained the money goes to the institution and is credited to the student's account. She further explained about the grants.

SENATOR CHRISTENSON summed it up as such: If \$1000 is approved, the number of students being helped will decrease from 2500 to 1500.

There was no opposition to HB 1126.

The hearing was closed on HB 1126.

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Operator's Signature

10/2/03
Date

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1126

Senate Education Committee

☐ Conference Committee

Hearing Date 3-05-03

Tape Number	Side A	Side B	Meter #
2	x		25.0 - 28.0
Committee Clerk Signature <i>Danica Johnson</i>			

Minutes: CHAIRMAN FREBORG called the committee to order with all members present.

SENATOR CHRISTENSON stated that \$600 means a lot to students, it will at least buy books.

The difference between \$600 and \$1000 is not that much that she is willing to have fewer students participate for more dollars.

SENATOR FLAKOLL moved a DO NOT PASS Seconded by SENATOR TAYLOR.

Roll Call Vote: 6 YES. 0 NO. 0 Absent. Motion Carried.

Carrier: SENATOR TAYLOR

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Danica Johnson
Operator's Signature

10/2/03
Date

Date: 3/5/03

Roll Call Vote #: /

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES

Senate EDUCATION

Committee

☐ Check here for Conference Committee**Legislative Council Amendment Number**

Action Taken

Motion Made By

Seconded By

[illegible]**Total**

(Yes)

6

No

0

Absent

0

Floor Assignment

Sen. Taylor

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

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Operator's Signature _____

1812103

REPORT OF STANDING COMMITTEE (410)
March 5, 2003 3:47 p.m.

Module No: SR-39-4033
Carrier: Taylor
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE
HB 1126: Education Committee (Sen. Freborg, Chairman) recommends DO NOT PASS
(6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1126 was placed on the
Fourteenth order on the calendar.

(2) DESK, (3) COMM

Page No. 1

SR-39-4033

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Deanna Hall
Operator's Signature

10/2/03
Date

2003 TESTIMONY

HB 1126

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Dorena Holladay
Operator's Signature

10/2/03
Date

**Testimony before
House Education Committee
January 14, 2003
HB 1126**

Madam Chairperson and members of the House Education Committee, my name is Peggy Wipf and I am director of financial aid within the North Dakota University System Office.

House Bill No. 1126 relates to the student financial assistance grant program. The North Dakota Student Financial Assistance Program (State Grant Program) presently provides a \$600 grant per year to North Dakota residents pursuing their undergraduate degree and who attend North Dakota's public, private, and tribal colleges based upon demonstrated financial unmet need. The purpose of this needs-based grant is to assist students with their cost of attending a North Dakota postsecondary institution. A State Grant also reduces the amount of money a student needs to borrow to pay for their education.

During the 2001-02 academic year, over 33,000 North Dakota students applied for a state grant. The State Grant Program was able to fund 2,482 needy students or roughly 8 percent of the eligible students during 2001-2002 due to the amount of program funding available. For 2001-2002, the greatest unmet need of a State Grant Program recipient was \$10,192 while the average unmet need was \$4,843. Program funding and awards ran out at an unmet need of \$5,934 in 2001-02. In other words, those students demonstrating an unmet need of \$5,934 or less did not receive State Grant support. Unmet need for this program is calculated as follows: Cost of education minus parent/student expected contribution, minus Federal Pell Grant, minus other resources, e.g., veterans' benefits, equals unmet need.

The table that follows shows the: number of applications received, number of students receiving awards, dollars and percent awarded by institution type, and percentage of all ND students attending college by sector for 2001-02 and 2002-03.

Students Receiving State Grant Dollar Awarded by Institution Type				
	Public Institution	Private Non- Profit 4-Year Colleges & Hospital School of Nursing	Native American Community Colleges	Total
2002-2003 School Year (est.)				
# Applying 32,412				
# of Students Receiving Awards	1,893	567	85	2,545
\$ Awarded	\$1,127,400	\$336,120	\$51,000	\$1,514,520
% of Total \$ Awarded	74.4%	22.2%	3.4%	100%
% of all ND Students Attending College	87%	9%	4%	100%
2001-2002 School Year				
# Applying 33,046				
# of Students Receiving Awards	1,876	529	77	2,482
\$ Awarded	\$1,053,000	\$306,732	\$42,300	\$1,402,032
% of Total \$ Awarded	75%	22%	3%	100%
% of all ND Students Attending College	87.2%	9.1%	3.7%	100%

The suggested change in Section 1 of House Bill 1126 would permit the State Board of Higher Education (SBHE) to increase the amount of a State Grant from \$600 to \$1,000 per recipient. The SBHE would consult the statutory State Grant Advisory Board, which is comprised of three financial aid directors, one college president, one secondary school counselor, and a student, concerning any changes to the grant award amount.

Generally, the advisory board includes representatives from the public, private, and tribal colleges. The amount of a State Grant has been \$600 for the past 14 years.

The fiscal note indicates that the suggested change to the State Grant Program statute would have no fiscal impact. The 2003-05 executive budget recommendation provides a block grant or pooled appropriation for all student grant programs, including the state grant program, to the SBHE for allocation. The block grant funding for all programs for 2003-05 represents a hold-even budget (same as 2001-03 state general fund level). If one assumes that the SBHE does not reallocate funds between grant programs within the block grant, the State Grant Program would be able to fund approximately 2,545 grants per year at \$600 per student. If the BHE chose to increase the grant award to the maximum of \$1,000 as proposed in the legislation, the program would be able to fund approximately 1,525 grants per year in 2003-05. The Board's consideration of the award amount will be greatly influenced by the level of available program funding and changes in the cost of education.

Madam Chairperson and House Education Committee members, on behalf of the State Board of Higher Education, I urge your support of this change to House Bill 1126 and would be happy to answer any questions.

**Testimony before
Senate Education Committee
March 4, 2003
HB 1126**

Mr. Chairman and members of the Senate Education Committee, my name is Mike Hillman and I am Vice Chancellor for Academic and Student Affairs for the North Dakota University System.

House Bill No. 1126 relates to the student financial assistance grant program.

The North Dakota Student Financial Assistance Program (State Grant Program) presently provides a \$600 grant per year to North Dakota residents pursuing their undergraduate degree and who attend North Dakota's public, private, and tribal colleges based upon demonstrated financial unmet need. The purpose of this needs-based grant is to assist students with their cost of attending a North Dakota postsecondary institution. A State Grant also reduces the amount of money a student needs to borrow to pay for their education.

During the 2001-02 academic year, over 33,000 North Dakota students applied for a state grant. The State Grant Program was able to fund 2,482 needy students or roughly 8 percent of the eligible students during 2001-2002 due to the amount of program funding available. For 2001-2002, the greatest unmet need of a State Grant Program recipient was \$10,192 while the average unmet need was \$4,843. Program funding and awards ran out at an unmet need of \$5,934 in 2001-02. In other words, those students demonstrating an unmet need of \$5,934 or less did not receive State Grant support. Unmet need for this program is calculated as follows: Cost of education minus parent/student expected contribution, minus Federal Pell Grant, minus other resources, e.g., veterans' benefits, equals unmet need.

The table that follows shows the: number of applications received, number of students receiving awards, dollars and percent awarded by institution type, and percentage of all ND students attending college by sector for 2001-02 and 2002-03.

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The suggested change in Section 1 of House Bill 1126 would permit the State Board of Higher Education (SBHE) to increase the amount of a State Grant from \$600 to \$1,000 per recipient. The SBHE would consult the statutory State Grant Advisory Board, which is comprised of three financial aid directors, one college president, one secondary school counselor, and a student, concerning any changes to the grant award amount.

Generally, the advisory board includes representatives from the public, private, and tribal colleges. The amount of a State Grant has been \$600 for the past 14 years.

The fiscal note indicates that the suggested change to the State Grant Program statute would have no fiscal impact. The 2003-05 budget as recommended by House Appropriations provides \$4,430,215 for the state grant program. This is a hold-even budget (same as 2001-03 state general fund level). The State Grant Program would be able to fund approximately 2,545 grants per year at \$600 per student. If the BHE chose to increase the grant award to the maximum of \$1,000 as proposed in the legislation, the program would be able to fund approximately 1,525 grants per year in 2003-05. The Board's consideration of the award amount will be greatly influenced by the level of available program funding and changes in the cost of education.

Mr. Chairman and Senate Education Committee members, on behalf of the State Board of Higher Education, I urge your support of this change to House Bill 1126 and would be happy to answer any questions.