

FISCAL NOTE

Requested by Legislative Council

04/04/2003

Amendment to: SB 2119

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						
Expenditures			\$146,400		\$146,400	
Appropriations			\$146,400		\$146,400	

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.*

SB2119, with the House amendments, would make students attending for-profit postsecondary institutions, which offer a program of at least two academic years in length, eligible for a state student grant. Students attending Aakers Business College in Fargo, would become eligible for grant funding. Currently, students attending public, private non-profit and tribal colleges are eligible for this grant program.

Engrossed HB1003 contains an appropriation of \$4,430,215 for the state student grant program. Of this amount, \$2,930,215 will likely be available in 03-05. Based upon this funding level, the NDUS will be able to assist approximately 2,500 students per year or about 7.5% of the 33,000 students who currently apply per year. The additional appropriation of \$146,400 provided for in SB2119, with House amendments, is projected to cover most, if not all, of the additional cost for students attending "for profit" private institutions that would become eligible under this bill. The funding in HB1003 would continue to be allocated to students attending public, private non-profit and tribal colleges.

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.*

Expenditure levels would increase by approximately \$146,400 to cover the cost of state grant awards to eligible students from "for profit" private institutions.

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.*

According to Aakers, in January 2003, they have 244 ND resident students. If 25% of these students were eligible (met the financial need criteria and were among the highest in demonstrating financial need) for the \$600 per year grant, an additional state general fund appropriation of \$73,200 would be required. If 75% of the students were eligible, an additional state general fund appropriation of \$219,600 would be required. (The mid-point of \$146,400 is reflected on page 1).

Name: Laura Glatt
Phone Number: 328-4116

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