

# 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
<b>Revenues</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Expenditures</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Appropriations</b>	\$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:*

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.*

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**Agency:** NDUS  
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