

FISCAL NOTE
Requested by Legislative Council
01/26/2021

Amendment to: SB 2289

- 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.*

	2019-2021 Biennium		2021-2023 Biennium		2023-2025 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$157,500		\$540,000	
Appropriations			\$157,500		\$540,000	

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

	2019-2021 Biennium	2021-2023 Biennium	2023-2025 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).*

SB2289 redefines eligibility criteria for students to earn a scholarship, creating a new scholarship called the ND Scholarship. The new scholarship criteria would take effect with the 2022 graduating seniors.

- 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.*

SB2289 redefines eligibility criteria for students to earn a scholarship, creating a new scholarship called the ND Scholarship. The new scholarship criteria would take effect with the 2022 graduating seniors. At that time, students may qualify for one of three scholarships: 1. ND Scholarship; 2. ND Academic Scholarship; 3. ND Career & Technical Education (CTE) Scholarship. The Academic Scholarship and CTE Scholarship will be phased out, and beginning with the 2025 graduates, students may qualify only for the ND Scholarship.

SB2289 Section 3 amends the eligibility criteria that will result in additional students qualifying for the ND Scholarship under the new eligibility criteria. The Department of Public Instruction estimates approximately 85 additional students per year would qualify beginning in 2022.

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.*

N/A

- 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.*

The Department of Public Instruction estimates approximately 85 additional students per year will qualify under the amended criteria. Program costs would increase as a result of the additional students. Costs would increase by \$127,500 for the 2021-23 biennium to cover the additional awards (FY22-23), which covers only one year of

payments for the first cohort impacted by the change.

The NDUS Scholarship Management System, used to administer the program, would require significant updates at an estimated cost of \$30,000.

- 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.*

For the 2021-23 biennium, a \$157,500 general fund ongoing appropriation is required to cover the estimated program & technology expenditures proposed in SB2289. This amount is not included in the NDUS base budget or the Executive Budget Recommendation.

The ongoing general fund appropriation would need to be increased by \$540,000 for the 2023-25 biennium, and \$790,000 for the 2025-27 biennium.

Name: David Krebsbach

Agency: ND University System

Telephone: 701-328-4111

Date Prepared: 01/29/2021