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HB1430
House Education Committee
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Chair (Owens) and Committee Members: My name is David Krebsbach, and I am the Director of Finance at NDUS. I'm here today to provide information about the fiscal impact of HB1430.

HB1430 enables students to qualify for both the academic and CTE scholarships; currently only one or the other can be received by a student. The annual award for qualifying students would increase from $1,500 to $3,000, and the lifetime cap would increase from $6,000 to $12,000.
Under current law, the Academic and CTE scholarship program annually awards an average of 965 Academic scholarships and 880 CTE scholarships. The number of awards have increased over the past several years as an increased number of graduating high school seniors are qualifying for the scholarships. The NDUS 2021-23 budget request for this scholarship program already includes a request for an additional $4.2 million to accommodate the increased number of qualifying students.

The Department of Public Instruction estimates 455 students per year would qualify for both scholarships as a result of HB1430. The first eligible students would graduate in the spring of 2022 and receive their first payments in the 2022-23 academic year. **A general fund appropriation for the 2021-23 biennium totaling $670,000 would be required and covers only one year of payments (FY2022-23).** Program costs would increase each year to cover both newly eligible students and continuing paying the existing awards. As a result, costs would increase to $3,000,000 for the 2023-25 biennium and then again to $4,500,000 in the 2025-27 biennium.

In addition, the NDUS Scholarship Management System used to administer the program would require significant updates at an estimated cost of $30,000. **The NDUS respectfully requests an appropriation of $30,000 be provided for the NDUS and amended into HB1430.**
This concludes my testimony for HB1430, and I am available to answer your questions.
Thank you.