

FISCAL NOTE

Requested by Legislative Council
12/17/2004

Bill/Resolution No.: SB 2077

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.*

	2003-2005 Biennium		2005-2007 Biennium		2007-2009 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.*

2003-2005 Biennium			2005-2007 Biennium			2007-2009 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.*

SB2077 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. Since the legislation is permissive there is no mandatory related fiscal impact.

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. Current 2003-05 available funding from general and federal funds is \$3.071 million. At \$600 per recipient, this will support an estimated average 2,570 students per year in the current 03-05 biennium or fund a little over eight percent of the 30,000 ND students who apply for funding each year.

The 2005-07 executive budget recommendation provides \$4.376 million in general and federal funds, an increase of approximately \$1.3 million over 03-05 available funding. Based on this proposed funding level the state grant program would be able to fund approximately 3,650 grants per year at \$600 per student or about twelve percent of the program applicants. 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 2,190 grants per year in 05-07 or a little over seven percent of the annual applicants. At \$800 per student, the proposed budget would provide an average of 2,735 awards per year and assist about nine percent of the annual applicants.

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. It is also unlikely that the grant award amount would be set at a level which would result in fewer number of awards than currently granted this biennium.

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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