

Sixty-seventh
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2272

Introduced by

Senators Schaible, Wanzek

Representatives Dockter, Headland, Nathe

1 A BILL for an Act to create and enact section 15-10-38.3 of the North Dakota Century Code,
2 relating to administrative fees retained by the state board of higher education; to amend and
3 reenact sections 15-10-38.1 and 15-10-38.2 of the North Dakota Century Code ~~and sections 3~~
4 ~~and 4 of chapter 136 of the 2019 Session Laws~~, relating to the skilled workforce student loan
5 repayment program and skilled workforce scholarship program; to amend and reenact section
6 15-10-38.3 of the North Dakota Century Code, relating to scholarship and loan forgiveness
7 administrative costs; to repeal sections 15-10-38.1 and 15-10-38.2 of the North Dakota Century
8 Code, relating to the skilled workforce student loan repayment program and the skilled
9 workforce scholarship program; to provide a continuing appropriation; to provide for a transfer;
10 to provide an effective date; ~~and to provide an expiration date~~ and to declare an emergency.

11 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

12 **SECTION 1. AMENDMENT.** Section 15-10-38.1 of the North Dakota Century Code is
13 amended and reenacted as follows:

14 **15-10-38.1. Skilled workforce student loan repayment program - Skilled workforce**
15 **student loan repayment program fund - Continuing appropriation - Report.**

- 16 1. There is created in the state treasury the skilled workforce student loan repayment
17 program fund. The fund consists of moneys transferred into the fund by the legislative
18 assembly, matching funds received, and loan repayments. Moneys in the fund are
19 appropriated to the state board of higher education on a continuing basis for the
20 purpose of distributing student loan repayment grants directly to the Bank of North
21 Dakota or other participating lender to repay outstanding student loan principal
22 balances for eligible applicants.
- 23 2. The state board of higher education shall adopt policies and procedures to develop,
24 implement, promote, and administer a skilled workforce student loan repayment

1 program in cooperation with the Bank of North Dakota and the North Dakota workforce
2 development council with the intent of attracting and retaining individuals for
3 professional or technical skills in high demand in this state.

4 3. The North Dakota workforce development council in cooperation with job service North
5 Dakota shall use available labor market information to determine annually the eligible
6 high-demand professional and technical skills and emerging occupations in this state.

7 ~~4. The state board of higher education and the North Dakota workforce development~~
8 ~~council shall compile a list of qualifying educational programs annually. Qualifying~~
9 ~~educational programs must pertain to the professional and technical skills and~~
10 ~~emerging occupations in high demand in this state, as determined under subsection 3.~~
11 ~~Qualifying educational programs may include degree or certificate programs.~~

12 5. Graduates of ~~qualifying educational~~degree or certificate programs from institutions or
13 entities in ~~this~~any state may apply for the skilled workforce student loan repayment
14 program. To be eligible to receive student loan repayment grants under the program,
15 the applicant:

- 16 a. Must have successfully completed a ~~qualifying~~an educational program from an
17 ~~eligible~~ institution of higher education;
- 18 b. Must have a student loan with the Bank of North Dakota or other participating
19 lender;
- 20 c. Following completion of a ~~qualifying~~an educational program, must reside and
21 work in this state in an eligible high-demand or emerging occupation; and
- 22 d. Must have met and shall continue to meet any requirements established ~~by rule~~in
23 applicable state board of higher education procedures.

24 ~~6.5.~~ The state board of higher education shall adopt ~~rules~~procedures to ensure compliance
25 with residency and occupation requirements after completion of the ~~qualifying~~
26 educational program.

27 ~~7.6.~~ The state board of higher education shall distribute student loan repayment grants
28 from the skilled workforce student loan repayment program fund directly to the Bank of
29 North Dakota or other participating lender to repay outstanding student loan principal
30 balances for eligible applicants. The maximum annual student loan repayment grant
31 amount for which an applicant may qualify is five thousand six hundred sixty-seven

1 dollars, or one-third of the applicant's outstanding student loan principal balance upon
2 initial application for the program, whichever is less. The maximum total student loan
3 repayment grant amount for which any applicant may qualify is seventeen thousand
4 dollars.

5 ~~8-7.~~ If an individual is receiving loan forgiveness under any other ~~provision~~state program,
6 the individual may not receive a student loan repayment grant under this section
7 during the same application year. An individual who received a skilled workforce
8 scholarship under section 15-10-38.2 is not eligible for loan forgiveness under this
9 section.

10 8. An individual may receive a combined total of no more than seventeen thousand
11 dollars under this section and the skilled workforce scholarship program under section
12 15-10-38.2.

13 9. The skilled workforce student loan repayment program must be a joint public and
14 private effort. The state board of higher education shall provide one dollar of funding
15 for each one dollar of funding raised from the private sector. Any matching funds
16 received must be deposited in the skilled workforce student loan repayment program
17 fund.

18 10. The state board of higher education shall provide a biennial program report to the
19 legislative management by September first of each even-numbered year. The report
20 must include information regarding:

21 a. The eligible high-demand professional and technical skills and emerging
22 occupations;

23 b. ~~The qualifying educational programs;~~

24 e. The number of applicants, eligible applicants, and applicants receiving awards;

25 ~~d.c.~~ The amount of private funding raised; and

26 ~~e.d.~~ The average and total amounts awarded under the program.

27 **SECTION 2. AMENDMENT.** Section 15-10-38.2 of the North Dakota Century Code is
28 amended and reenacted as follows:

1 **15-10-38.2. Skilled workforce scholarship program - Skilled workforce scholarship**
2 **fund - Continuing appropriation - Report.**

- 3 1. There is created in the state treasury the skilled workforce scholarship fund. The fund
4 consists of moneys transferred into the fund by the legislative assembly, matching
5 funds received, and scholarship repayments. Moneys in the fund are appropriated to
6 the state board of higher education on a continuing basis for the purpose of providing
7 grants to institutions of higher education related to skilled workforce scholarships.
8 Institutions of higher education include institutions under the control of the state board
9 of higher education, North Dakota nonpublic accredited institutions of higher
10 education, and tribally controlled community colleges, state-approved educator
11 training programs, and North Dakota institutions approved to operate by the North
12 Dakota board of career and technical education.
- 13 2. The state board of higher education shall adopt policies and procedures to develop,
14 implement, promote, and administer a skilled workforce scholarship program in
15 cooperation with the Bank of North Dakota and the North Dakota workforce
16 development council with the intent of attracting and retaining individuals for
17 professional or technical skills in high demand in this state.
- 18 3. The North Dakota workforce development council in cooperation with job service North
19 Dakota shall use available labor market information to determine annually the eligible
20 high-demand professional and technical skills and emerging occupations in this state.
- 21 4. The state board of higher education and the workforce development council shall
22 compile a list of qualifying educational programs annually. ~~Qualifying~~ A qualifying
23 ~~educational programs must be able to~~ program is a program resulting in attainment of
24 an associate's degree or lower credential upon successful completion or a program
25 that may be completed within four semesters or six quarters and must. A qualifying
26 educational program also must pertain to the professional and technical skills and
27 emerging occupations in high demand in this state, as determined under subsection 3.
28 Qualifying educational programs may include degree or certificate programs.
- 29 5. Individuals enrolled in a qualifying educational program in this state may apply for a
30 scholarship under this section. Scholarships are limited to the amount charged each
31 quarter, semester, or term by the educational institution for the tuition, fees, books, and

1 supplies required for the qualifying educational program. The scholarships are
2 intended to supplement any other scholarship or financial aid grant received by a
3 student to assist the student with the costs of the qualifying educational program. An
4 individual may not receive ~~more than a combined total exceeding~~ seventeen thousand
5 dollars ~~in total~~ under this section and the skilled workforce loan repayment program
6 under section 15-10-38.1.

7 6. To be eligible for a scholarship and payment under this section, a student must be
8 enrolled full time in an eligible program and ~~maintain~~have at least a 2.5 cumulative
9 grade point average, based on a 4.0 grading system, or maintain academic progress
10 in the program according to program requirements. A student may not receive
11 scholarships under this section for more than the equivalent of four semesters of
12 full-time enrollment or six quarters of full-time enrollment.

13 7. Upon completion of a qualifying educational program, a student who received a
14 scholarship under this section must reside and work in this state in an eligible
15 high-demand or emerging occupation for a minimum of three years.

16 8. An individual shall repay the scholarship pursuant to the terms in the individual's
17 scholarship award agreement if the individual fails to maintain either a 2.5 cumulative
18 grade point average or academic progress according to program requirements while
19 enrolled, ~~discontinues attendance~~withdraws voluntarily or involuntarily before the
20 completion of ~~any semester or quarter~~the program for which a scholarship has been
21 received, or fails to reside and work in this state in an eligible high-demand or
22 emerging occupation for at least three years following degree or certificate completion.

23 9. The state board of higher education, in conjunction with the Bank of North Dakota,
24 may allow an individual who received payment under this section to delay or cancel
25 repayment under this section due to financial difficulty, military service, death, or total
26 disability.

27 10. Each quarter, semester, or term, the state board of higher education shall distribute
28 grants to institutions of higher education to provide the amounts necessary for the
29 scholarships awarded to the students enrolled in each institution.

30 ~~40-11.~~ The skilled workforce scholarship program must be a joint public and private effort.

31 The state board of higher education may distribute grants only to the extent that the

1 private sector has provided one dollar of matching funds for each dollar of funding
2 provided by the state. Any matching funds received must be deposited in the skilled
3 workforce scholarship fund.

4 ~~11.12.~~ The state board of higher education shall provide a biennial program report to the
5 legislative management by September first of each even-numbered year. The report
6 must include information regarding:

- 7 a. The eligible high-demand professional and technical skills and emerging
- 8 occupations;
- 9 b. The qualifying educational programs;
- 10 c. The number of applicants, eligible applicants, and applicants receiving awards;
- 11 d. The amount of private funding raised; and
- 12 e. The average and total amounts awarded under the program.

13 **SECTION 3.** Section 15-10-38.3 of the North Dakota Century Code is created and enacted
14 as follows:

15 **15-10-38.3. Scholarship and loan forgiveness administrative costs - Continuing**
16 **appropriation.**

17 The state board of higher education shall retain up to one and one-half percent of any funds
18 appropriated to the board under subsection 1 of section 15-10-38.1 and subsection 1 of section
19 15-10-38.2. The retained funds must be used for promotion and administration of the programs
20 under those sections.

21 ~~—SECTION 4. Section 15-10-38.3 of the North Dakota Century Code is created and enacted~~
22 ~~as follows:~~

23 **SECTION 4. AMENDMENT.** Section 15-10-38.3 of the North Dakota Century Code is
24 amended and reenacted as follows:

25 **15-10-38.3. Scholarship and loan forgiveness administrative costs - Continuing**
26 **appropriation.**

27 The state board of higher education shall retain up to one-half of one percent of any funds
28 appropriated to the board under subsection 1 of section 15-10-38.1 and subsection 1 of section
29 15-10-38.2. The retained funds must be used for ~~promotion and~~ administration of the programs
30 under those sections.

1 ~~SECTION 5.~~ Section 3 of chapter 136 of the 2019 Session Laws is amended and reenacted
2 as follows:

3 ~~SECTION 3. TRANSFER - BANK OF NORTH DAKOTA - SKILLED~~
4 ~~WORKFORCE STUDENT LOAN REPAYMENT PROGRAM FUND.~~ The Bank of
5 North Dakota shall transfer the sum of \$3,000,000, or so much of the sum as may be
6 necessary, from the Bank's current earnings and undivided profits to the skilled
7 workforce student loan repayment program fund during the period beginning with the
8 effective date of this Act, and ending June 30 ~~July 31,~~ 2021.

9 ~~SECTION 6.~~ Section 4 of chapter 136 of the 2019 Session Laws is amended and reenacted
10 as follows:

11 ~~SECTION 4. TRANSFER - BANK OF NORTH DAKOTA - SKILLED~~
12 ~~WORKFORCE SCHOLARSHIP FUND.~~ The Bank of North Dakota shall transfer the
13 sum of \$3,000,000, or so much of the sum as may be necessary, from the Bank's
14 current earnings and undivided profits to the skilled workforce scholarship fund during
15 the period beginning with the effective date of this Act, and ending June 30 ~~July 31,~~
16 2021. ~~SECTION 10. EXPIRATION DATE.~~ Section 3 of this Act is effective through
17 July 31, 2023, and after that date is ineffective.

18 **SECTION 5. REPEAL.** Sections 15-10-38.1 and 15-10-38.2 of the North Dakota Century
19 Code are repealed.

20 **SECTION 6. TRANSFER - BANK OF NORTH DAKOTA - SKILLED WORKFORCE**
21 **STUDENT LOAN REPAYMENT PROGRAM FUND.** The Bank of North Dakota shall transfer
22 the sum of \$2,250,000, or so much of the sum as may be necessary, from the Bank's current
23 earnings and undivided profits to the skilled workforce student loan repayment fund during the
24 biennium beginning July 1, 2021, and ending June 30, 2023.

25 **SECTION 7. TRANSFER - BANK OF NORTH DAKOTA - SKILLED WORKFORCE**
26 **SCHOLARSHIP FUND.** The Bank of North Dakota shall transfer the sum of \$2,250,000, or so
27 much of the sum as may be necessary, from the Bank's current earnings and undivided profits
28 to the skilled workforce scholarship fund during the biennium beginning July 1, 2021, and
29 ending June 30, 2023.

30 **SECTION 8. EFFECTIVE DATE.** Sections 1, 2, 3, 6, and 7 of this Act become effective on
31 July 1, 2021.

1 **SECTION 9. EFFECTIVE DATE.** Section 5 of this Act becomes effective on July 1, 2023.

2 **SECTION 10. EFFECTIVE DATE.** Section 4 of this Act becomes effective on August 1,
3 2023.

4 **SECTION 11. EMERGENCY.** This Act is declared to be an emergency measure.