

**Sixty-seventh Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 5, 2021**

SENATE BILL NO. 2272
(Senators Schaible, Wanzek)
(Representatives Dockter, Headland, Nathe)

AN ACT to create and enact section 15-10-38.3 of the North Dakota Century Code, relating to administrative fees retained by the state board of higher education; to amend and reenact sections 15-10-38.1 and 15-10-38.2 of the North Dakota Century Code, relating to the skilled workforce student loan repayment program and skilled workforce scholarship program; to amend and reenact section 15-10-38.3 of the North Dakota Century Code, relating to scholarship and loan forgiveness administrative costs; to repeal sections 15-10-38.1 and 15-10-38.2 of the North Dakota Century Code, relating to the skilled workforce student loan repayment program and the skilled workforce scholarship program; to provide a continuing appropriation; to provide for a transfer; to provide an effective date; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

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

1. There is created in the state treasury the skilled workforce student loan repayment program fund. The fund consists of moneys transferred into the fund by the legislative assembly, matching funds received, and loan repayments. Moneys in the fund are appropriated to the state board of higher education on a continuing basis for the purpose of distributing student loan repayment grants directly to the Bank of North Dakota or other participating lender to repay outstanding student loan principal balances for eligible applicants.
2. The state board of higher education shall adopt policies and procedures to develop, implement, promote, and administer a skilled workforce student loan repayment program in cooperation with the Bank of North Dakota and the North Dakota workforce development council with the intent of attracting and retaining individuals for professional or technical skills in high demand in this state.
3. The North Dakota workforce development council in cooperation with job service North Dakota shall use available labor market information to determine annually the eligible high-demand professional and technical skills and emerging occupations in this state.
4. ~~The state board of higher education and the North Dakota workforce development council shall compile a list of qualifying educational programs annually. Qualifying educational programs must pertain to the professional and technical skills and emerging occupations in high demand in this state, as determined under subsection 3. Qualifying educational programs may include degree or certificate programs.~~
5. Graduates of qualifying educational degree or certificate programs from institutions or entities in this state may apply for the skilled workforce student loan repayment program. To be eligible to receive student loan repayment grants under the program, the applicant:
 - a. Must have successfully completed a qualifying an educational program from an eligible institution of higher education;
 - b. Must have a student loan with the Bank of North Dakota or other participating lender;

- c. Following completion of a ~~qualifying~~ educational program, must reside and work in this state in an eligible high-demand or emerging occupation; and
 - d. Must have met and shall continue to meet any requirements established ~~by rule~~ in applicable state board of higher education procedures.
- ~~6-5.~~ The state board of higher education shall adopt ~~rules~~ procedures to ensure compliance with residency and occupation requirements after completion of the ~~qualifying~~ educational program.
- ~~7-6.~~ The state board of higher education shall distribute student loan repayment grants from the skilled workforce student loan repayment program fund directly to the Bank of North Dakota or other participating lender to repay outstanding student loan principal balances for eligible applicants. The maximum annual student loan repayment grant amount for which an applicant may qualify is five thousand six hundred sixty-seven dollars, or one-third of the applicant's outstanding student loan principal balance upon initial application for the program, whichever is less. The maximum total student loan repayment grant amount for which any applicant may qualify is seventeen thousand dollars.
- ~~8-7.~~ If an individual is receiving loan forgiveness under any other ~~provision~~ state program, the individual may not receive a student loan repayment grant under this section during the same application year. An individual who received a skilled workforce scholarship under section 15-10-38.2 is not eligible for loan forgiveness under this section.
- ~~8.~~ An individual may receive a combined total of no more than seventeen thousand dollars under this section and the skilled workforce scholarship program under section 15-10-38.2.
9. The skilled workforce student loan repayment program must be a joint public and private effort. The state board of higher education shall provide one dollar of funding for each one dollar of funding raised from the private sector. Any matching funds received must be deposited in the skilled workforce student loan repayment program fund.
10. The state board of higher education shall provide a biennial program report to the legislative management by September first of each even-numbered year. The report must include information regarding:
- a. The eligible high-demand professional and technical skills and emerging occupations;
 - b. ~~The qualifying educational programs;~~
 - c. The number of applicants, eligible applicants, and applicants receiving awards;
 - ~~d.c.~~ The amount of private funding raised; and
 - ~~e.d.~~ The average and total amounts awarded under the program.

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

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

1. There is created in the state treasury the skilled workforce scholarship fund. The fund consists of moneys transferred into the fund by the legislative assembly, matching funds received, and scholarship repayments. Moneys in the fund are appropriated to the state board of higher education on a continuing basis for the purpose of providing grants to institutions of higher education related to skilled workforce scholarships. Institutions of higher education include institutions under the control of the state board of higher education, North Dakota nonpublic accredited institutions of higher education, ~~and tribally controlled community colleges, state-~~

approved educator training programs, and North Dakota institutions approved to operate by the North Dakota board of career and technical education.

2. The state board of higher education shall adopt policies and procedures to develop, implement, promote, and administer a skilled workforce scholarship program in cooperation with the Bank of North Dakota and the North Dakota workforce development council with the intent of attracting and retaining individuals for professional or technical skills in high demand in this state.
3. The North Dakota workforce development council in cooperation with job service North Dakota shall use available labor market information to determine annually the eligible high-demand professional and technical skills and emerging occupations in this state.
4. The state board of higher education and the workforce development council shall compile a list of qualifying educational programs annually. ~~Qualifying~~ A qualifying educational program must be able to program is a program resulting in attainment of an associate's degree or lower credential upon successful completion or a program that may be completed within four semesters or six quarters and must. A qualifying educational program also must pertain to the professional and technical skills and emerging occupations in high demand in this state, as determined under subsection 3. Qualifying educational programs may include degree or certificate programs.
5. Individuals enrolled in a qualifying educational program in this state may apply for a scholarship under this section. Scholarships are limited to the amount charged each quarter, semester, or term by the educational institution for the tuition, fees, books, and supplies required for the qualifying educational program. The scholarships are intended to supplement any other scholarship or financial aid grant received by a student to assist the student with the costs of the qualifying educational program. An individual may not receive ~~more than a combined total exceeding~~ seventeen thousand dollars in total under this section and the skilled workforce loan repayment program under section 15-10-38.1.
6. To be eligible for a scholarship and payment under this section, a student must be enrolled full time in an eligible program and ~~maintain~~ have at least a 2.5 cumulative grade point average, based on a 4.0 grading system, or maintain academic progress in the program according to program requirements. A student may not receive scholarships under this section for more than the equivalent of four semesters of full-time enrollment or six quarters of full-time enrollment.
7. Upon completion of a qualifying educational program, a student who received a scholarship under this section must reside and work in this state in an eligible high-demand or emerging occupation for a minimum of three years.
8. An individual shall repay the scholarship pursuant to the terms in the individual's scholarship award agreement if the individual fails to maintain ~~either~~ a 2.5 cumulative grade point average or academic progress according to program requirements while enrolled, ~~discontinues attendance~~ withdraws voluntarily or involuntarily before the completion of ~~any semester or quarter~~ the program for which a scholarship has been received, or fails to reside and work in this state in an eligible high-demand or emerging occupation for at least three years following degree or certificate completion.
9. The state board of higher education, in conjunction with the Bank of North Dakota, may allow an individual who received payment under this section to delay or cancel repayment under this section due to financial difficulty, military service, death, or total disability.
10. Each quarter, semester, or term, the state board of higher education shall distribute grants to institutions of higher education to provide the amounts necessary for the scholarships awarded to the students enrolled in each institution.

- ~~40.11.~~ The skilled workforce scholarship program must be a joint public and private effort. The state board of higher education may distribute grants only to the extent that the private sector has provided one dollar of matching funds for each dollar of funding provided by the state. Any matching funds received must be deposited in the skilled workforce scholarship fund.
- ~~44.12.~~ The state board of higher education shall provide a biennial program report to the legislative management by September first of each even-numbered year. The report must include information regarding:
- a. The eligible high-demand professional and technical skills and emerging occupations;
 - b. The qualifying educational programs;
 - c. The number of applicants, eligible applicants, and applicants receiving awards;
 - d. The amount of private funding raised; and
 - e. The average and total amounts awarded under the program.

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

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

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

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

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

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

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

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

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

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

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

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

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

President of the Senate

Speaker of the House

Secretary of the Senate

Chief Clerk of the House

This certifies that the within bill originated in the Senate of the Sixty-seventh Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2272 and that two-thirds of the members-elect of the Senate voted in favor of said law.

Vote: Yeas 47 Nays 0 Absent 0

President of the Senate

Secretary of the Senate

This certifies that two-thirds of the members-elect of the House of Representatives voted in favor of said law.

Vote: Yeas 70 Nays 22 Absent 2

Speaker of the House

Chief Clerk of the House

Received by the Governor at _____ M. on _____, 2021.

Approved at _____ M. on _____, 2021.

Governor

Filed in this office this _____ day of _____, 2021,

at _____ o'clock _____ M.

Secretary of State