

**HOUSE BILL NO. 1240**

Introduced by

Representatives Schreiber-Beck, Hager, Jonas, Longmuir, Mitskog, M. Ruby, Sanford,  
Strinden

Senators Bekkedahl, K. Roers, Weber

1 A BILL for an Act to amend and reenact section 15-10-38.1, 15-10-38.2, and 15-10-38.3 of the  
2 North Dakota Century Code, relating to skilled workforce student loan repayment and skilled  
3 workforce scholarships; and to provide for a transfer.

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

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

7 **15-10-38.1. Skilled workforce student loan repayment program - Skilled workforce**  
8 **student loan repayment program fund - Continuing appropriation - Report. (~~Repealed-~~**  
9 **~~effective July 1, 2023~~)**

- 10 1. There is created in the state treasury the skilled workforce student loan repayment  
11 program fund. The fund consists of moneys transferred into the fund by the legislative  
12 assembly, matching funds received, and loan repayments. Moneys in the fund are  
13 appropriated to the state board of higher education on a continuing basis for the  
14 purpose of distributing student loan repayment grants directly to the Bank of North  
15 Dakota or other participating lender to repay outstanding student loan principal  
16 balances for eligible applicants. The state board of higher education may transfer  
17 money between this fund and the skilled workforce scholarship fund established in  
18 section 15-10-38.2.
- 19 2. The state board of higher education shall adopt policies and procedures to develop,  
20 implement, promote, and administer a skilled workforce student loan repayment  
21 program in cooperation with the Bank of North Dakota and the North Dakota workforce  
22 development council with the intent of attracting and retaining individuals for  
23 professional or technical skills in high demand in this state.

- 1       3.   The North Dakota workforce development council in cooperation with job service North  
2       Dakota shall use available labor market information to determine annually the eligible  
3       high-demand professional and technical skills and emerging occupations in this state.
- 4       4.   Graduates of degree or certificate programs from institutions or entities in any state  
5       may apply for the skilled workforce student loan repayment program. To be eligible to  
6       receive student loan repayment grants under the program, the applicant:
  - 7       a.   Must have successfully completed an educational program from an institution of  
8       higher education;
  - 9       b.   Must have a student loan with the Bank of North Dakota or other participating  
10      lender;
  - 11      c.   Following completion of an educational program, must reside and work in this  
12      state in an eligible high-demand or emerging occupation; and
  - 13      d.   Must have met and shall continue to meet any requirements established in  
14      applicable state board of higher education procedures.
- 15      5.   The state board of higher education shall adopt procedures to ensure compliance with  
16      residency and occupation requirements after completion of the educational program.
- 17      6.   The state board of higher education shall distribute student loan repayment grants  
18      from the skilled workforce student loan repayment program fund directly to the Bank of  
19      North Dakota or other participating lender to repay outstanding student loan principal  
20      balances for eligible applicants. The maximum annual student loan repayment grant  
21      amount for which an applicant may qualify is five thousand six hundred sixty-seven  
22      dollars, or one-third of the applicant's outstanding student loan principal balance upon  
23      initial application for the program, whichever is less. The maximum total student loan  
24      repayment grant amount for which any applicant may qualify is seventeen thousand  
25      dollars.
- 26      7.   If an individual is receiving loan forgiveness under any other state program, the  
27      individual may not receive a student loan repayment grant under this section during  
28      the same application year. ~~An individual who received a skilled workforce scholarship  
29      under section 15-10-38.2 is not eligible for loan forgiveness under this section.~~

- 1           8.    An individual may receive a combined total of no more than seventeen thousand  
2           dollars under this section and the skilled workforce scholarship program under section  
3           15-10-38.2.
- 4           9.    ~~The skilled workforce student loan repayment program must be a joint public and~~  
5           ~~private effort.~~ The state board of higher education shall provide one dollar of funding  
6           for each one dollar of ~~funding~~funds raised from the private sector or other public  
7           sources. Any matching funds received must be deposited in the skilled workforce  
8           student loan repayment program fund.
- 9           10.   The state board of higher education shall provide a biennial program report to the  
10          legislative management by September first of each even-numbered year. The report  
11          must include information regarding:
- 12          a.    The eligible high-demand professional and technical skills and emerging  
13          occupations;
- 14          b.    The number of applicants, eligible applicants, and applicants receiving awards;
- 15          c.    The amount of ~~private funding~~matching funds raised; and
- 16          d.    The average and total amounts awarded under the program.

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

19          **15-10-38.2. Skilled workforce scholarship program - Skilled workforce scholarship**  
20          **fund - Continuing appropriation - Report. (~~Repealed effective July 1, 2023~~)**

- 21          1.    There is created in the state treasury the skilled workforce scholarship fund. The fund  
22          consists of moneys transferred into the fund by the legislative assembly, matching  
23          funds received, and scholarship repayments. Moneys in the fund are appropriated to  
24          the state board of higher education on a continuing basis for the purpose of providing  
25          grants to institutions of higher education related to skilled workforce scholarships.  
26          Institutions of higher education include institutions under the control of the state board  
27          of higher education, North Dakota nonpublic accredited institutions of higher  
28          education, tribally controlled community colleges, state-approved educator training  
29          programs, and North Dakota institutions approved to operate by the North Dakota  
30          board of career and technical education. The state board of higher education may

1           transfer money between this fund and the skilled workforce student loan repayment  
2           program fund established in section 15-10-38.1.

3           2. The state board of higher education shall adopt policies and procedures to develop,  
4           implement, promote, and administer a skilled workforce scholarship program in  
5           cooperation with the Bank of North Dakota and the North Dakota workforce  
6           development council with the intent of attracting and retaining individuals for  
7           professional or technical skills in high demand in this state.

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

11          4. The state board of higher education and the workforce development council shall  
12          compile a list of qualifying educational programs annually. A qualifying educational  
13          program is a program resulting in attainment of an associate's degree or lower  
14          credential ~~upon successful completion of a program that may be completed within four~~  
15          semesters ~~or, six quarters, or the final two years of a teacher education program.~~ A  
16          qualifying educational program also must pertain to the professional and technical  
17          skills and emerging occupations in high demand in this state, as determined under  
18          subsection 3. Qualifying educational programs may include degree or certificate  
19          programs.

20          5. Individuals enrolled in a qualifying educational program in this state may apply for a  
21          scholarship under this section. Scholarships are limited to the amount charged each  
22          quarter, semester, or term by the educational institution for the tuition, fees, books, and  
23          supplies required for the qualifying educational program. The scholarships are  
24          intended to supplement any other scholarship or financial aid grant received by a  
25          student to assist the student with the costs of the qualifying educational program. An  
26          individual may not receive a combined total exceeding seventeen thousand dollars  
27          under this section and the skilled workforce loan repayment program under section  
28          15-10-38.1.

29          6. To be eligible for a scholarship ~~and~~ payment under this section, a student must be  
30          enrolled full time in an eligible program and have at least a 2.5 cumulative grade point  
31          average, based on a 4.0 grading system, or maintain academic progress in the

- 1           program according to program requirements. A student may not receive scholarships  
2           under this section for more than the equivalent of four semesters of full-time  
3           enrollment or six quarters of full-time enrollment.
- 4        7. Upon completion of a qualifying educational program, a student who received a  
5           scholarship under this section must reside and work in this state in an eligible  
6           high-demand or emerging occupation for a minimum of three years.
- 7        8. An individual shall repay the scholarship pursuant to the terms in the individual's  
8           scholarship award agreement if the individual fails to maintain either a 2.5 cumulative  
9           grade point average or academic progress according to program requirements while  
10          enrolled, withdraws voluntarily or involuntarily before the completion of the program for  
11          which a scholarship has been received, or fails to reside and work in this state in an  
12          eligible high-demand or emerging occupation for at least three years following degree  
13          or certificate completion.
- 14       9. The state board of higher education, in conjunction with the Bank of North Dakota,  
15          may allow an individual who received payment under this section to delay or cancel  
16          repayment under this section due to financial difficulty, military service, death, or total  
17          disability.
- 18       10. Each quarter, semester, or term, the state board of higher education shall distribute  
19          grants to institutions of higher education to provide the amounts necessary for the  
20          scholarships awarded to the students enrolled in each institution.
- 21       11. ~~The skilled workforce scholarship program must be a joint public and private effort.~~  
22          ~~The state board of higher education may distribute grants only to the extent that the~~  
23          ~~private sector has provided one dollar of matching funds for each dollar of funding~~  
24          ~~provided by the state.~~The state board of higher education shall provide one dollar of  
25          funding for each one dollar of funds raised from the private sector or other public  
26          sources. Any matching funds received must be deposited in the skilled workforce  
27          scholarship fund.
- 28       12. The state board of higher education shall provide a biennial program report to the  
29          legislative management by September first of each even-numbered year. The report  
30          must include information regarding:

- 1           a.    The eligible high-demand professional and technical skills and emerging
- 2                    occupations;
- 3           b.    The qualifying educational programs;
- 4           c.    The number of applicants, eligible applicants, and applicants receiving awards;
- 5           d.    The amount of ~~private funding~~matching funds raised; and
- 6           e.    The average and total amounts awarded under the program.

7           **SECTION 3. AMENDMENT.** Section 15-10-38.3 of the North Dakota Century Code is  
8 amended and reenacted as follows:

9           **15-10-38.3. Scholarship and loan forgiveness administrative costs - Continuing**  
10 **appropriation. (~~Effective through July 31, 2023~~)**

11           The state board of higher education shall retain up to one and one-half percent of any funds  
12 appropriated to the board under subsection 1 of section 15-10-38.1 and subsection 1 of section  
13 15-10-38.2. The retained funds must be used for promotion and administration of the programs  
14 under those sections.

15           ~~**Scholarship and loan forgiveness administrative costs - Continuing appropriation.**~~  
16 ~~**(Effective after July 31, 2023)**~~ The state board of higher education shall retain up to one-half of  
17 one percent of any funds appropriated to the board under subsection 1 of section 15-10-38.1  
18 and subsection 1 of section 15-10-38.2. The retained funds must be used for administration of  
19 the programs under those sections.

20           **SECTION 4. TRANSFER - STATE TREASURER - SKILLED WORKFORCE STUDENT**

21 **LOAN REPAYMENT PROGRAM FUND.** The state treasurer shall transfer the sum of  
22 \$1,000,000, or so much of the sum as may be necessary, from the legacy earnings fund to the  
23 skilled workforce student loan repayment fund during the biennium beginning July 1, 2023, and  
24 ending June 30, 2025.

25           **SECTION 5. TRANSFER - STATE TREASURER - SKILLED WORKFORCE**

26 **SCHOLARSHIP FUND.** The state treasurer shall transfer the sum of \$1,000,000, or so much of  
27 the sum as may be necessary, from the legacy earnings fund to the skilled workforce  
28 scholarship fund during the biennium beginning July 1, 2023, and ending June 30, 2025.