

Sixtieth
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2347

Introduced by

Senators Grindberg, Krebsbach, Robinson

Representatives Aarsvold, Bellew, Monson

1 A BILL for an Act to create and enact five new sections to chapter 15-62.2 of the North Dakota
2 Century Code, relating to creation of the North Dakota promise grant program for students
3 enrolled in institutions of higher education; to provide for reports to the legislative council; to
4 provide legislative intent; to provide a transfer; and to provide a continuing appropriation.

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

6 **SECTION 1.** A new section to chapter 15-62.2 of the North Dakota Century Code is
7 created and enacted as follows:

8 **Promise grant - Eligibility.** A student is eligible for a promise grant if the student:

- 9 1. Is a resident of this state and has been a resident of this state continuously since
10 the school year in which the student enrolled in kindergarten or was eligible to
11 enroll in kindergarten;
- 12 2. Graduated from a public or nonpublic school in this state or from a high school in
13 another state under the provisions of chapter 15.1-29, on or after May 1, 2012;
- 14 3. Completed a high school curriculum that included at least four units of
15 mathematics at the level of algebra I and higher and four units of science;
- 16 4. Has a 23 cumulative composite score or a 23 mathematics scale score on the test
17 of academic achievement administered by ACT, inc.;
- 18 5. Submitted an application for a promise grant as required by the state board of
19 higher education; and
- 20 6. a. Attends an accredited public or private North Dakota institution of higher
21 education beginning no earlier than the 2012 fall semester;
22 b. Is continuously enrolled and carries a course of study that is defined as "full
23 time" by the institution;
24 c. Is enrolled in an associate or baccalaureate program; and

d. Maintains a 3.0 cumulative college grade point average.

SECTION 2. A new section to chapter 15-62.2 of the North Dakota Century Code is created and enacted as follows:

Promise grant - Amount payable - Annual increase.

1. Beginning with the 2012-13 school year, if a student who is eligible for a promise grant enrolls in an institution of higher education under the control of the state board of higher education, for the first year the student is eligible to receive a promise grant in the amount of sixty-five percent of the tuition charged at the student's institution. During the next three succeeding years, the amount of the promise grant provided during the first year increases in accordance with the consumer price index. If the student enrolls in a private institution of higher education, for the first year the student is entitled to receive sixty-five percent of the statewide average tuition charged at institutions of higher education under the control of the state board of higher education. During the next three succeeding years, the amount of the promise grant provided during the first year increases in accordance with the consumer price index.
2. Beginning with the 2013-14 school year, if a student who is eligible for a promise grant enrolls in an institution of higher education under the control of the state board of higher education, for the first year the student is eligible to receive a promise grant in the amount of seventy percent of the tuition charged at the student's institution. During the next three succeeding years, the amount of the promise grant provided during the first year increases in accordance with the consumer price index. If the student enrolls in a private institution of higher education, for the first year the student is entitled to receive seventy percent of the statewide average tuition charged at institutions of higher education under the control of the state board of higher education. During the next three succeeding years, the amount of the promise grant provided during the first year increases in accordance with the consumer price index.
3. Beginning with the 2014-15 school year, if a student who is eligible for a promise grant enrolls in an institution of higher education under the control of the state board of higher education, for the first year the student is eligible to receive a

1 promise grant in the amount of seventy-five percent of the tuition charged at the
2 student's institution. During the next three succeeding years, the amount of the
3 promise grant provided during the first year increases in accordance with the
4 consumer price index. If the student enrolls in a private institution of higher
5 education, for the first year the student is entitled to receive seventy-five percent of
6 the statewide average tuition charged at institutions of higher education under the
7 control of the state board of higher education. During the next three succeeding
8 years, the amount of the promise grant provided during the first year increases in
9 accordance with the consumer price index.

10 4. Beginning with the 2015-16 school year, if a student who is eligible for a promise
11 grant enrolls in an institution of higher education under the control of the state
12 board of higher education, for the first year the student is eligible to receive a
13 promise grant in the amount of eighty percent of the tuition charged at the
14 student's institution. During the next three succeeding years, the amount of the
15 promise grant provided during the first year increases in accordance with the
16 consumer price index. If the student enrolls in a private institution of higher
17 education, for the first year the student is entitled to receive eighty percent of the
18 statewide average tuition charged at institutions of higher education under the
19 control of the state board of higher education. During the next three succeeding
20 years, the amount of the promise grant provided during the first year increases in
21 accordance with the consumer price index.

22 5. Beginning with the 2016-17 school year, if a student who is eligible for a promise
23 grant enrolls in an institution of higher education under the control of the state
24 board of higher education, for the first year the student is eligible to receive a
25 promise grant in the amount of eighty-five percent of the tuition charged at the
26 student's institution. During the next three succeeding years, the amount of the
27 promise grant provided during the first year increases in accordance with the
28 consumer price index. If the student enrolls in a private institution of higher
29 education, for the first year the student is entitled to receive eighty-five percent of
30 the statewide average tuition charged at institutions of higher education under the
31 control of the state board of higher education. During the next three succeeding

years, the amount of the promise grant provided during the first year increases in accordance with the consumer price index.

6. Beginning with the 2017-18 school year, and each year thereafter, if a student who is eligible for a promise grant enrolls in an institution of higher education under the control of the state board of higher education, for the first year the student is eligible to receive a promise grant in the full amount of tuition charged at the student's institution. During the next three succeeding years, the amount of the promise grant provided during the first year increases in accordance with the consumer price index. If the student enrolls in a private institution of higher education, for the first year the student is entitled to receive the statewide average tuition charged at institutions of higher education under the control of the state board of higher education. During the next three succeeding years, the amount of the promise grant provided during the first year increases in accordance with the consumer price index.

SECTION 3. A new section to chapter 15-62.2 of the North Dakota Century Code is created and enacted as follows:

Promise grant - Credit. The promise grant is payable by the state board of higher education to an accredited institution in which the student is enrolled, during each year the student is enrolled, until the student completes the requirements of the associate or baccalaureate program, provided that a student may not receive a grant for more than four consecutive years. The grant must be credited toward any tuition charges due and payable by the student, after accounting for all other grants, scholarships, third-party funds, waivers, and other gift aid. If the grant exceeds the amount owed by the student, the excess funds must be returned to the program and the student has no further right to the funds. No grants are payable after the 2028-29 school year.

SECTION 4. A new section to chapter 15-62.2 of the North Dakota Century Code is created and enacted as follows:

Annual reports. The state board of higher education shall provide an annual report regarding the promise grants to an interim committee designated by the legislative council. The superintendent of public instruction shall at the same time provide an annual report regarding

1 student demographics and student achievement, as evidenced by cumulative grade point
2 averages and high school course selections.

3 **SECTION 5.** A new section to chapter 15-62.2 of the North Dakota Century Code is
4 created and enacted as follows:

5 **North Dakota merit award trust fund - Creation - Continuing appropriation.** There
6 is created in the state treasury a special fund known as the North Dakota merit award trust
7 fund. The fund consists of any moneys appropriated by the legislative assembly, together with
8 any gifts or grants received from any public or private sources. The state board of higher
9 education shall administer the fund. The state investment board shall invest moneys in the
10 fund in accordance with chapter 21-10, and any income earned must be deposited into the trust
11 fund. All interest and income from the trust fund is available to the state board of higher
12 education for the purpose of providing North Dakota promise grants under this Act. The state
13 board of higher education shall return any unexpended amount in the trust fund on June 30,
14 2025, to the general fund in the state treasury.

15 **SECTION 6. TRANSFER.** The director of the office of management and budget shall
16 transfer the sum of \$15,000,000 from the general fund in the state treasury to the North Dakota
17 merit award trust fund on July 1, 2007.

18 **SECTION 7. TRANSFER.** The director of the office of management and budget shall
19 transfer the sum of \$10,000,000 from the state fire and tornado fund in the state treasury to the
20 North Dakota merit award trust fund on July 1, 2007.

21 **SECTION 8. LEGISLATIVE INTENT - FUTURE SUPPORT AND TRANSFERS.** It is
22 the intent of the legislative assembly that, beginning with the 2009-11 biennium, the merit
23 award trust fund be supported in the amount of \$40,000,000 per biennium, \$15,000,000 of that
24 amount from the accumulated and undivided profits of the Bank of North Dakota, \$10,000,000
25 from the oil extraction trust fund, and the remainder from the student loan trust fund and the
26 lottery operating fund, in the proportions determined by the legislative assembly.

27 **SECTION 9. LEGISLATIVE INTENT - ACCESS TO APPROPRIATE EDUCATION.** It
28 is the intent of the legislative assembly that the state board of public school education, the state
29 board of higher education, the education standards and practices board, and the state board for
30 career and technical education continue their joint efforts to establish high standards and
31 expectations of students at all levels of the education continuum and that the boards do all

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- 1 things necessary and proper to ensure that the students of this state have access to
- 2 challenging curricula, highly qualified teachers and instructors, and an education system that
- 3 allows them to meet the promise reflected in their abilities and the demands of a twenty-first
- 4 century global economy.