

Sixty-ninth  
Legislative Assembly  
of North Dakota

**FIRST ENGROSSMENT**

**ENGROSSED SENATE BILL NO. 2147**

Introduced by

Senators Sickler, Schaible, Sorvaag

Representatives Richter, Sanford

1 A BILL for an Act to create and enact a new subsection to section 15-10-38.4, a new subsection  
2 to section 15-62.4-03, a new section to chapter 15-62.4, and a new subsection to section  
3 15-62.5-04 of the North Dakota Century Code, relating to student financial assistance grants,  
4 dual-credit tuition scholarships, and the scholars program; to amend and reenact sections  
5 15-10-38.1, 15-10-38.2, 15-63-05, and 15.1-21-02.6 of the North Dakota Century Code, relating  
6 to the skilled workforce student loan repayment and scholarship programs, Native American  
7 scholarships, and the North Dakota scholarship; and to provide an appropriation.

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

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

11 **15-10-38.1. Skilled workforce student loan repayment program - Skilled workforce**  
12 **student loan repayment program fund - Continuing appropriation - Report.**

13 1. There is created in the state treasury the skilled workforce student loan repayment  
14 program fund. The fund consists of moneys transferred into the fund by the legislative  
15 assembly, matching funds received, and loan repayments. Moneys in the fund are  
16 appropriated to the state board of higher education on a continuing basis for the  
17 purpose of distributing student loan repayment grants directly to the Bank of North  
18 Dakota or other participating lender to repay outstanding student loan principal  
19 balances for eligible applicants. The state board of higher education may transfer  
20 money between this fund and the skilled workforce scholarship fund established in  
21 section 15-10-38.2.

- 1       2.   The state board of higher education shall adopt policies and procedures to develop,  
2       implement, promote, and administer a skilled workforce student loan repayment  
3       program in cooperation with the Bank of North Dakota and the North Dakota workforce  
4       development council with the intent of attracting and retaining individuals for  
5       professional or technical skills in high demand in this state.
- 6       3.   The North Dakota workforce development council in cooperation with job service North  
7       Dakota shall use available labor market information to determine annually the eligible  
8       high-demand professional and technical skills and emerging occupations in this state.
- 9       4.   Graduates of degree or certificate programs from institutions or entities in any state  
10      may apply for the skilled workforce student loan repayment program. To be eligible to  
11      receive student loan repayment grants under the program, the applicant:
  - 12      a.   Must have successfully completed an educational program from an institution of  
13          higher education;
  - 14      b.   Must have a student loan with the Bank of North Dakota or other participating  
15          lender;
  - 16      c.   Following completion of an educational program, must reside and work in this  
17          state in an eligible high-demand or emerging occupation or reside within fifty  
18          miles [80.47 kilometers] of this state and work in this state in an eligible  
19          high-demand or emerging occupation; and
  - 20      d.   Must have met and shall continue to meet any requirements established in  
21          applicable state board of higher education procedures.
- 22      5.   The state board of higher education shall adopt procedures to ensure compliance with  
23      residency and occupation requirements after completion of the educational program.
- 24      6.   The state board of higher education shall distribute student loan repayment grants  
25      from the skilled workforce student loan repayment program fund directly to the Bank of  
26      North Dakota or other participating lender to repay outstanding student loan principal  
27      balances for eligible applicants. The maximum annual student loan repayment grant  
28      amount for which an applicant may qualify is five thousand six hundred sixty-seven  
29      dollars, or one-third of the applicant's outstanding student loan principal balance upon  
30      initial application for the program, whichever is less. The maximum total student loan

1            repayment grant amount for which any applicant may qualify is seventeen thousand  
2            dollars.

3            7. If an individual is receiving loan forgiveness under any other state program, the  
4            individual may not receive a student loan repayment grant under this section during  
5            the same application year.

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

9            9. The state board of higher education shall provide one dollar of funding for each one  
10           dollar of funds raised from the private sector or other public sources. Any matching  
11           funds received must be deposited in the skilled workforce student loan repayment  
12           program fund.

13          10. An applicant for student loan repayment under this section is ineligible if the applicant:

14           a. Provides or directs matching funds; or

15           b. Is the husband, wife, father, mother, brother, sister, son, daughter, father-in-law,  
16           mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, stepchild,  
17           uncle, aunt, niece, nephew, or grandchild of:

18           (1) The individual providing or directing matching funds; or

19           (2) An individual authorized to make decisions on behalf of an entity providing  
20           or directing matching funds, including a controlling shareholder, member of  
21           the governing body, director, or managing partner.

22          11. The state board of higher education shall provide a biennial program report to the  
23           legislative management by September first of each even-numbered year. The report  
24           must include information regarding:

25           a. The eligible high-demand professional and technical skills and emerging  
26           occupations;

27           b. The number of applicants, eligible applicants, and applicants receiving awards;

28           c. The amount of matching funds raised; and

29           d. The average and total amounts awarded under the program.

30           **SECTION 2. AMENDMENT.** Section 15-10-38.2 of the North Dakota Century Code is  
31           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, 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. The state board of higher education may transfer money between this fund and the skilled workforce student loan repayment program fund established in section 15-10-38.1.
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. A qualifying educational program is a program resulting in attainment of an associate's degree or lower credential program that may be completed within four semesters, six quarters, or the final two years of a baccalaureate program. 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.

- 1       5. Individuals enrolled in a qualifying educational program in this state may apply for a  
2       scholarship under this section. Scholarships are limited to the amount charged each  
3       quarter, semester, or term by the educational institution for the tuition, fees, books, and  
4       supplies required for the qualifying educational program. The scholarships are  
5       intended to supplement any other scholarship or financial aid grant received by a  
6       student to assist the student with the costs of the qualifying educational program. An  
7       individual may not receive a combined total exceeding seventeen thousand dollars  
8       under this section and the skilled workforce loan repayment program under section  
9       15-10-38.1.
- 10      6. To be eligible for a scholarship payment under this section, a student must be enrolled  
11      full time in an eligible program and have at least a 2.5 cumulative grade point average,  
12      based on a 4.0 grading system, or maintain academic progress in the program  
13      according to program requirements. A student may not receive scholarships under this  
14      section for more than the equivalent of four semesters of full-time enrollment or six  
15      quarters of full-time enrollment.
- 16      7. Upon completion of a qualifying educational program, a student who received a  
17      scholarship under this section must reside and work in this state in an eligible  
18      high-demand or emerging occupation for a minimum of three years.
- 19      8. ~~An~~Except as provided in subsection 9, an individual shall repay the scholarship,  
20      ~~excluding the matching funds portion of the scholarship,~~ pursuant to the terms in the  
21      individual's scholarship award agreement if the individual fails to maintain either a 2.5-  
22      ~~cumulative grade point average or~~ academic progress according to program  
23      requirements while enrolled, withdraws voluntarily or involuntarily before the  
24      completion of the program for which a scholarship has been received, or fails to reside  
25      ~~and work in this state in an eligible high-demand or emerging occupation for at least~~  
26      ~~three years following degree or certificate completion~~comply with subsection 7.
- 27      9. An individual who receives a scholarship under this section and who transfers from  
28      one eligible academic program to another eligible academic program must complete  
29      the program within two years and meet all other eligibility requirements to be exempt  
30      from the repayment provisions under subsection 8.

- 1        10.    The state board of higher education, in conjunction with the Bank of North Dakota,  
2            may allow an individual who received payment under this section to delay or cancel  
3            repayment under this section due to financial difficulty, military service, death, or total  
4            disability.
- 5        ~~40:11.~~   Each quarter, semester, or term, the state board of higher education shall distribute  
6            grants to institutions of higher education to provide the amounts necessary for the  
7            scholarships awarded to the students enrolled in each institution.
- 8        ~~44:12.~~   The state board of higher education shall provide one dollar of funding for each one  
9            dollar raised from the private sector or other public sources. Any matching funds  
10          received must be deposited in the skilled workforce scholarship fund.
- 11       ~~42:13.~~   An applicant for a scholarship payment under this section is ineligible if the applicant:  
12            a.   Provides or directs matching funds; or  
13            b.   Is the husband, wife, father, mother, brother, sister, son, daughter, father-in-law,  
14            mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, stepchild,  
15            uncle, aunt, niece, nephew, or grandchild of:  
16                (1)   The individual providing or directing matching funds; or  
17                (2)   An individual authorized to make decisions on behalf of an entity providing  
18                or directing matching funds, including a controlling shareholder, member of  
19                the governing body, director, or managing partner.
- 20        14.    The state board of higher education may not issue a scholarship under this section  
21            which is in excess of the total cost of attendance, as determined by the institution of  
22            higher education, when considering all financial aid sources.
- 23        15.    The state board of higher education shall provide a biennial program report to the  
24            legislative management by September first of each even-numbered year. The report  
25            must include information regarding:  
26            a.   The eligible high-demand professional and technical skills and emerging  
27            occupations;  
28            b.   The qualifying educational programs;  
29            c.   The number of applicants, eligible applicants, and applicants receiving awards;  
30            d.   The amount of matching funds raised; and  
31            e.   The average and total amounts awarded under the program.

1       **SECTION 3.** A new subsection to section 15-10-38.4 of the North Dakota Century Code is  
2 created and enacted as follows:

3           The board may not issue a scholarship under this section which is in excess of the  
4           total cost of attendance, as determined by the institution of higher education, when  
5           considering all financial aid sources.

6       **SECTION 4.** A new subsection to section 15-62.4-03 of the North Dakota Century Code is  
7 created and enacted as follows:

8           The board may not issue a grant under this chapter which is in excess of the total cost  
9           of attendance, as determined by the institution of higher education, when considering  
10          all financial aid sources.

11       **SECTION 5.** A new section to chapter 15-62.4 of the North Dakota Century Code is created  
12 and enacted as follows:

13       **Supplemental state grant award.**

- 14       1. An individual eligible for a student financial assistance grant under this chapter may be  
15       considered for a supplemental state grant award if the individual's total family income,  
16       as identified on the free application for federal student aid, is no more than eighty  
17       thousand dollars.
- 18       2. A supplemental state grant award may not be provided for the summer term.
- 19       3. Each semester or quarter, the state board of higher education shall provide to an  
20       eligible student a supplemental state grant award in an amount that, combined with  
21       the individual's student financial assistance grant and any federal Pell grant award,  
22       does not exceed the tuition charged at the institution in which the student is enrolled.  
23       The amount may not exceed the highest undergraduate semester tuition charged at  
24       an institution of higher education under the control of the state board of higher  
25       education.
- 26       4. If funding appropriated for this program is not sufficient to pay the full amount of the  
27       grant award under subsection 3, the state board of higher education may prorate the  
28       amount.
- 29       5. The state board of higher education may impose deadlines to qualify for an award  
30       under this section.

1       **SECTION 6.** A new subsection to section 15-62.5-04 of the North Dakota Century Code is  
2 created and enacted as follows:

3           The board may not issue a scholarship under this chapter which is in excess of the  
4           total cost of attendance, as determined by the institution of higher education, when  
5           considering all financial aid sources.

6       **SECTION 7. AMENDMENT.** Section 15-63-05 of the North Dakota Century Code is  
7 amended and reenacted as follows:

8       **15-63-05. Scholarship payments - Conditions.**

9       Upon the award of a scholarship, the recipient is eligible for a credit at the enrolling  
10 institution of higher learning or accredited career and technical education program with a  
11 physical presence in this state. The scholarship may be applied to tuition, fees, room and board,  
12 books and supplies, and other educational expenses not to exceed six hundred sixty-seven  
13 dollars per quarter or clock-hour term or one thousand dollars per semester. Awards may not  
14 exceed two thousand dollars in any academic year and may not be issued in excess of the total  
15 cost of attendance, as determined by the institution of higher education, when considering all  
16 financial aid sources. The board for Native American scholarships may reduce the amount of  
17 any scholarship to accord with individual financial need or funds available. The board for Native  
18 American scholarships may set a priority application date. At the beginning of each quarter,  
19 clock-hour term, or semester, the North Dakota university system shall verify enrollment and  
20 other eligibility criteria set forth by the state board for Native American scholarships for awarded  
21 applicants before issuing payment to the enrolling institution. After the enrolling institution has  
22 deducted the amount due to the institution, the remaining balance must be distributed to the  
23 awarded applicant for necessary expenses during the quarter, clock-hour term, or semester.

24       **SECTION 8. AMENDMENT.** Section 15.1-21-02.6 of the North Dakota Century Code is  
25 amended and reenacted as follows:

26       **15.1-21-02.6. North Dakota scholarship - Amount - Applicability. (Effective through**  
27 **July 31, 2030)**

- 28       1.   a.   The state board of higher education shall provide to any student certified as  
29               being eligible by the superintendent of public instruction a North Dakota  
30               scholarship, a North Dakota academic scholarship, or a North Dakota career and  
31               technical education scholarship in the amount of seven hundred fifty dollars for



1 each semester during which the student is enrolled full time at an accredited  
2 institution of higher education with a physical presence in this state, maintains a  
3 cumulative grade point average of 2.75, and maintains progress toward program  
4 completion.

5 b. The state board of higher education shall provide to any student certified as  
6 being eligible by the superintendent of public instruction a North Dakota  
7 scholarship, a North Dakota academic scholarship, or a North Dakota career and  
8 technical education scholarship in the amount of five hundred dollars for each  
9 quarter or clock-hour term during which the student is enrolled full time at an  
10 accredited institution of higher education with a physical presence in this state or  
11 an accredited private career school with a physical presence in this state,  
12 maintains a cumulative grade point average of 2.75, and maintains progress  
13 toward program completion.

14 c. The state board of higher education shall provide to any student certified as  
15 being eligible by the superintendent of public instruction a North Dakota  
16 scholarship, a North Dakota academic scholarship, or a North Dakota career and  
17 technical education scholarship in the amount of five hundred dollars each term if  
18 the student is enrolled in a qualifying registered apprenticeship program within  
19 this state. The state board of higher education and the state board for career and  
20 technical education shall establish:

- 21 (1) Procedures to administer the scholarship;  
22 (2) Requirements for eligibility, including full-time enrollment, program progress,  
23 and a minimum grade point average or its equivalency; and  
24 (3) A payment schedule.

25 2. The state board shall monitor each scholarship recipient to ensure that the student  
26 meets the academic and other requirements of this section. Upon determining a  
27 recipient student has failed to meet the requirements of this section, the board shall  
28 provide notification to the student within ten business days.

29 3. A student is not entitled to receive more than six thousand dollars under this section.

30 4. The state board of higher education shall forward the scholarship directly to the  
31 institution in which the student is enrolled.

1       5.   The state board of higher education may not issue a scholarship under this section  
2       which is in excess of the total cost of attendance, as determined by the institution of  
3       higher education, when considering all financial aid sources.

4       6.   a.   This section does not require a student to be enrolled in consecutive semesters,  
5               quarters, or clock-hour terms.  
6               b.   A scholarship under this section is valid only for six academic years after the  
7               student's graduation from high school and may be applied to a graduate or  
8               professional program.

9       ~~6-7.~~   A scholarship under this section is available to any eligible resident student who fulfills  
10       the requirements of section 15.1-21-02.4, section 15.1-21-02.5, or section  
11       15.1-21-02.10 and who:

12       a.   Graduates from a high school in this state;  
13       b.   Graduates from a high school in a bordering state under chapter 15.1-29;  
14       c.   Graduates from a nonpublic high school in a bordering state while residing with a  
15       custodial parent in this state; or  
16       d.   Completes a program of home education supervised in accordance with chapter  
17       15.1-23.

18       ~~7-8.~~   a.   For purposes of North Dakota scholarship eligibility under this section, "full-time"  
19       has the same meaning as the term is defined by the institution the student is  
20       attending.  
21       b.   A student who is enrolled less than full-time may retain scholarship eligibility if the  
22       student is in the final semester, quarter, or clock-hour term before program  
23       completion. The waiver of the full-time enrollment status requirement for  
24       scholarship eligibility may not apply to a student more than once.  
25       c.   For the purpose of North Dakota scholarship eligibility under this section,  
26       "progress toward program completion" means earning the following minimum  
27       number of credits after each semester, quarter, or clock-hour term disbursement  
28       to qualify for the subsequent disbursement:  
29               (1)   Twenty-four credits after disbursement two;  
30               (2)   Thirty-nine credits after disbursement three;  
31               (3)   Fifty-four credits after disbursement four;

- 1 (4) Sixty-nine credits after disbursement five;
- 2 (5) Eighty-four credits after disbursement six; and
- 3 (6) Ninety-nine credits after disbursement seven.

4 8.9. For purposes of scholarship eligibility under this section, "clock-hour term" has the  
5 same meaning as the term is defined by the state board of higher education. The state  
6 board of higher education shall determine the conversion of:

- 7 a. Clock hours to credit hours; and
- 8 b. Percentage-based grading to grade point average.

9 **North Dakota scholarship - Amount - Applicability. (Effective after July 31, 2030)**

- 10 1. a. The state board of higher education shall provide to any student certified as  
11 being eligible by the superintendent of public instruction a North Dakota  
12 scholarship in the amount of seven hundred fifty dollars for each semester during  
13 which the student is enrolled full time at an accredited institution of higher  
14 education with a physical presence in this state, maintains a cumulative grade  
15 point average of 2.75, and maintains progress toward program completion.
- 16 b. The state board of higher education shall provide to any student certified as  
17 being eligible by the superintendent of public instruction a North Dakota  
18 scholarship in the amount of five hundred dollars for each quarter or clock-hour  
19 term during which the student is enrolled full time at an accredited institution of  
20 higher education with a physical presence in this state or an accredited private  
21 career school with a physical presence in this state, maintains a cumulative  
22 grade point average of 2.75, and maintains progress toward program completion.
- 23 c. The state board of higher education shall provide to any student certified as  
24 being eligible by the superintendent of public instruction a North Dakota  
25 scholarship, a North Dakota academic scholarship, or a North Dakota career and  
26 technical education scholarship in the amount of five hundred dollars each term if  
27 the student is enrolled in a qualifying registered apprenticeship program within  
28 this state. The state board of higher education and the state board for career and  
29 technical education shall establish:  
30 (1) Procedures to administer the scholarship;

- 1                   (2) Requirements for eligibility, including full-time enrollment, program progress,  
2                   and a minimum grade point average or its equivalency; and  
3                   (3) A payment schedule.
- 4       2. The state board shall monitor each scholarship recipient to ensure the student meets  
5       the academic and other requirements of this section. Upon determining a recipient  
6       student has failed to meet the requirements of this section, the board shall provide  
7       notification to the student within ten business days.
- 8       3. A student is not entitled to receive more than six thousand dollars under this section.
- 9       4. The state board of higher education shall forward the scholarship directly to the  
10      institution in which the student is enrolled.
- 11      5. The state board of higher education may not issue a scholarship under this section  
12      which is in excess of the total cost of attendance, as determined by the institution of  
13      higher education, when considering all financial aid sources.
- 14      6. a. This section does not require a student to be enrolled in consecutive semesters,  
15      quarters, or clock-hour terms.
- 16      b. A scholarship under this section is valid only for six academic years after the  
17      student's graduation from high school and may be applied to a graduate or  
18      professional program.
- 19      6-7. A scholarship under this section is available to any eligible resident student who fulfills  
20      the requirements of section 15.1-21-02.10 and who:
- 21      a. Graduates from a high school in this state;
- 22      b. Graduates from a high school in a bordering state under chapter 15.1-29;
- 23      c. Graduates from a nonpublic high school in a bordering state while residing with a  
24      custodial parent in this state; or
- 25      d. Completes a program of home education supervised in accordance with chapter  
26      15.1-23.
- 27      7-8. a. For purposes of North Dakota scholarship eligibility under this section, "full-time"  
28      has the same meaning as the term is defined by the institution the student is  
29      attending.
- 30      b. A student who is enrolled less than full-time may retain scholarship eligibility if the  
31      student is in the final semester, quarter, or clock-hour term before program

completion. The waiver of the full-time enrollment status requirement for scholarship eligibility may not apply to a student more than once.

c. For the purpose of North Dakota scholarship eligibility under this section, "progress toward program completion" means earning the following minimum number of credits after each semester, quarter, or clock-hour term disbursement to qualify for the subsequent disbursement:

- (1) Twenty-four credits after disbursement two;
- (2) Thirty-nine credits after disbursement three;
- (3) Fifty-four credits after disbursement four;
- (4) Sixty-nine credits after disbursement five;
- (5) Eighty-four credits after disbursement six; and
- (6) Ninety-nine credits after disbursement seven.

~~8-9.~~ For purposes of scholarship eligibility under this section, "clock-hour term" has the same meaning as the term is defined by the state board of higher education. The state board of higher education shall determine the conversion of:

- a. Clock hours to credit hours; and
- b. Percentage-based grading to grade point average.

**SECTION 9. APPROPRIATION - NORTH DAKOTA UNIVERSITY SYSTEM OFFICE -**

**SUPPLEMENTAL STUDENT FINANCIAL ASSISTANCE GRANTS.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$12,200,000, or so much of the sum as may be necessary, to the North Dakota university system office for the purpose of providing supplemental student financial assistance grants, for the biennium beginning July 1, 2025, and ending June 30, 2027.