

**Sixty-ninth Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 7, 2025**

SENATE BILL NO. 2147
(Senators Sickler, Schaible, Sorvaag)
(Representatives Richter, Sanford)

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

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. The state board of higher education may transfer money between this fund and the skilled workforce scholarship fund established in section 15-10-38.2.
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. Graduates of degree or certificate programs from institutions or entities in any 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 an educational program from an institution of higher education;
 - b. Must have a student loan with the Bank of North Dakota or other participating lender;
 - c. Following completion of an educational program, must reside and work in this state in an eligible high-demand or emerging occupation or reside within fifty miles [80.47 kilometers] of this state 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 in applicable state board of higher education procedures.
5. The state board of higher education shall adopt procedures to ensure compliance with residency and occupation requirements after completion of the educational program.
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.
7. If an individual is receiving loan forgiveness under any other state program, the individual may not receive a student loan repayment grant under this section during the same application year.
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 state board of higher education shall provide one dollar of funding for each one dollar of funds raised from the private sector or other public sources. Any matching funds received must be deposited in the skilled workforce student loan repayment program fund.
10. An applicant for student loan repayment under this section is ineligible if the applicant:
 - a. Provides or directs matching funds; or
 - b. Is the husband, wife, father, mother, brother, sister, son, daughter, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, stepchild, uncle, aunt, niece, nephew, or grandchild of:
 - (1) The individual providing or directing matching funds; or
 - (2) An individual authorized to make decisions on behalf of an entity providing or directing matching funds, including a controlling shareholder, member of the governing body, director, or managing partner.
11. 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 number of applicants, eligible applicants, and applicants receiving awards;
 - c. The amount of matching funds raised; and
 - 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, 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.
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 a combined total exceeding seventeen thousand dollars under this section and the skilled workforce loan repayment program under section 15-10-38.1.
6. To be eligible for a scholarship payment under this section, a student must be enrolled full time in an eligible program and 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 or reside within fifty miles [80.47 kilometers] of this state and work in this state in an eligible high-demand or emerging occupation for a minimum of three years.
8. An~~Except as provided in subsection 9, an~~ individual shall repay the scholarship, excluding the matching funds portion of 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, withdraws voluntarily or involuntarily before the completion of 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~~comply with subsection 7.

9. An individual who receives a scholarship under this section and who transfers from one eligible academic program to another eligible academic program must complete the program within two years and meet all other eligibility requirements to be exempt from the repayment provisions under subsection 8.
10. 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.
- ~~40-11.~~ 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.
- ~~41-12.~~ The state board of higher education shall provide one dollar of funding for each one dollar raised from the private sector or other public sources. Any matching funds received must be deposited in the skilled workforce scholarship fund.
- ~~42-13.~~ An applicant for a scholarship payment under this section is ineligible if the applicant:
 - a. Provides or directs matching funds; or
 - b. Is the husband, wife, father, mother, brother, sister, son, daughter, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, stepchild, uncle, aunt, niece, nephew, or grandchild of:
 - (1) The individual providing or directing matching funds; or
 - (2) An individual authorized to make decisions on behalf of an entity providing or directing matching funds, including a controlling shareholder, member of the governing body, director, or managing partner.
14. The state board of higher education may not issue a scholarship under this section which is in excess of the total cost of attendance, as determined by the institution of higher education, when considering all financial aid sources.
15. 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 matching funds raised; and
 - e. The average and total amounts awarded under the program.

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

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

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

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

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

Supplemental state grant award.

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

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

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

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

15-63-05. Scholarship payments - Conditions.

Upon the award of a scholarship, the recipient is eligible for a credit at the enrolling institution of higher learning or accredited career and technical education program with a physical presence in this state. The scholarship may be applied to tuition, fees, room and board, books and supplies, and other educational expenses not to exceed six hundred sixty-seven dollars per quarter or clock-hour term or one thousand dollars per semester. Awards may not exceed two thousand dollars in any academic year and may not be issued in excess of the total cost of attendance, as determined by the institution of higher education, when considering all financial aid sources. The board for Native American scholarships may reduce the amount of any scholarship to accord with individual financial need or funds available. The board for Native American scholarships may set a priority application date. At the beginning of each quarter, clock-hour term, or semester, the North Dakota university system shall verify enrollment and other eligibility criteria set forth by the state board for Native American scholarships for

awarded applicants before issuing payment to the enrolling institution. After the enrolling institution has deducted the amount due to the institution, the remaining balance must be distributed to the awarded applicant for necessary expenses during the quarter, clock-hour term, or semester.

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

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

1. a. The state board of higher education shall provide to any student certified as being eligible by the superintendent of public instruction a North Dakota scholarship, a North Dakota academic scholarship, or a North Dakota career and technical education scholarship in the amount of seven hundred fifty dollars for each semester during which the student is enrolled full time at an accredited institution of higher education with a physical presence in this state, maintains a cumulative grade point average of 2.75, and maintains progress toward program completion.
 - b. The state board of higher education shall provide to any student certified as being eligible by the superintendent of public instruction a North Dakota scholarship, a North Dakota academic scholarship, or a North Dakota career and technical education scholarship in the amount of five hundred dollars for each quarter or clock-hour term during which the student is enrolled full time at an accredited institution of higher education with a physical presence in this state or an accredited private career school with a physical presence in this state, maintains a cumulative grade point average of 2.75, and maintains progress toward program completion.
 - c. The state board of higher education shall provide to any student certified as being eligible by the superintendent of public instruction a North Dakota scholarship, a North Dakota academic scholarship, or a North Dakota career and technical education scholarship in the amount of five hundred dollars each term if the student is enrolled in a qualifying registered apprenticeship program within this state. The state board of higher education and the state board for career and technical education shall establish:
 - (1) Procedures to administer the scholarship;
 - (2) Requirements for eligibility, including full-time enrollment, program progress, and a minimum grade point average or its equivalency; and
 - (3) A payment schedule.
2. The state board shall monitor each scholarship recipient to ensure that the student meets the academic and other requirements of this section. Upon determining a recipient student has failed to meet the requirements of this section, the board shall provide notification to the student within ten business days.
 3. A student is not entitled to receive more than six thousand dollars under this section.
 4. The state board of higher education shall forward the scholarship directly to the institution in which the student is enrolled.
 5. The state board of higher education may not issue a scholarship under this section which is in excess of the total cost of attendance, as determined by the institution of higher education, when considering all financial aid sources.
 6. a. This section does not require a student to be enrolled in consecutive semesters, quarters, or clock-hour terms.

- b. A scholarship under this section is valid only for six academic years after the student's graduation from high school and may be applied to a graduate or professional program.

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

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

~~7-8.~~ a. For purposes of North Dakota scholarship eligibility under this section, "full-time" has the same meaning as the term is defined by the institution the student is attending.

- b. A student who is enrolled less than full-time may retain scholarship eligibility if the 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.

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

- 1. a. The state board of higher education shall provide to any student certified as being eligible by the superintendent of public instruction a North Dakota scholarship in the amount of seven hundred fifty dollars for each semester during which the student is enrolled full time at an accredited institution of higher education with a physical presence in this state, maintains a cumulative grade point average of 2.75, and maintains progress toward program completion.
- b. The state board of higher education shall provide to any student certified as being eligible by the superintendent of public instruction a North Dakota scholarship in the amount of five hundred dollars for each quarter or clock-hour term during which the student is

enrolled full time at an accredited institution of higher education with a physical presence in this state or an accredited private career school with a physical presence in this state, maintains a cumulative grade point average of 2.75, and maintains progress toward program completion.

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

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

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

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

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

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

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

- 6.7. A scholarship under this section is available to any eligible resident student who fulfills the requirements of section 15.1-21-02.10 and who:

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

- 7.8. a. For purposes of North Dakota scholarship eligibility under this section, "full-time" has the same meaning as the term is defined by the institution the student is attending.

- b. A student who is enrolled less than full-time may retain scholarship eligibility if the 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 \$2,000,000, 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.

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-ninth Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2147.

Senate Vote: Yeas 41 Nays 4 Absent 2

House Vote: Yeas 63 Nays 26 Absent 5

Secretary of the Senate

Received by the Governor at _____ M. on _____, 2025.

Approved at _____ M. on _____, 2025.

Governor

Filed in this office this _____ day of _____, 2025,

at _____ o'clock _____ M.

Secretary of State