

**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, 2008;
- 14 3. Completed a high school curriculum that included at least four units of mathematics  
15 and four units of science;
- 16 4. Maintained a 2.5 cumulative grade point average in high school, provided that  
17 beginning with the 2011-12 school year, a student must have maintained a 3.0  
18 cumulative grade point average in high school;
- 19 5. Submitted an application for a promise grant as required by the state board of  
20 higher education; and
- 21 6. a. Attends an accredited public or private North Dakota institution of higher  
22 education as a full-time student beginning no earlier than the 2008 fall  
23 semester;

- 1            b. Is enrolled in a two-year, three-year, or four-year program that will lead to a  
2            certificate, diploma, or degree; and  
3            c. Maintains a 3.0 cumulative grade point average.

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

6            **Promise grant - Amount payable - Annual increase.**

- 7            1. Beginning with the 2012-13 school year, if a student who is eligible for a promise  
8            grant enrolls in an institution of higher education under the control of the state  
9            board of higher education, for the first year the student is eligible to receive a  
10           promise grant in the amount of sixty-five percent of the tuition charged at the  
11           student's institution. During the next three succeeding years, the amount of the  
12           promise grant provided during the first year increases in accordance with the  
13           consumer price index. If the student enrolls in a private institution of higher  
14           education, for the first year the student is entitled to receive sixty-five percent of the  
15           statewide average tuition charged at institutions of higher education under the  
16           control of the state board of higher education. During the next three succeeding  
17           years, the amount of the promise grant provided during the first year increases in  
18           accordance with the consumer price index.
- 19           2. Beginning with the 2013-14 school year, if a student who is eligible for a promise  
20           grant enrolls in an institution of higher education under the control of the state  
21           board of higher education, for the first year the student is eligible to receive a  
22           promise grant in the amount of seventy percent of the tuition charged at the  
23           student's institution. During the next three succeeding years, the amount of the  
24           promise grant provided during the first year increases in accordance with the  
25           consumer price index. If the student enrolls in a private institution of higher  
26           education, for the first year the student is entitled to receive seventy percent of the  
27           statewide average tuition charged at institutions of higher education under the  
28           control of the state board of higher education. During the next three succeeding  
29           years, the amount of the promise grant provided during the first year increases in  
30           accordance with the consumer price index.

- 1           3. Beginning with the 2014-15 school year, if a student who is eligible for a promise  
2           grant enrolls in an institution of higher education under the control of the state  
3           board of higher education, for the first year the student is eligible to receive a  
4           promise grant in the amount of seventy-five percent of the tuition charged at the  
5           student's institution. During the next three succeeding years, the amount of the  
6           promise grant provided during the first year increases in accordance with the  
7           consumer price index. If the student enrolls in a private institution of higher  
8           education, for the first year the student is entitled to receive seventy-five percent of  
9           the statewide average tuition charged at institutions of higher education under the  
10           control of the state board of higher education. During the next three succeeding  
11           years, the amount of the promise grant provided during the first year increases in  
12           accordance with the consumer price index.
- 13          4. Beginning with the 2015-16 school year, if a student who is eligible for a promise  
14           grant enrolls in an institution of higher education under the control of the state  
15           board of higher education, for the first year the student is eligible to receive a  
16           promise grant in the amount of eighty percent of the tuition charged at the student's  
17           institution. During the next three succeeding years, the amount of the promise  
18           grant provided during the first year increases in accordance with the consumer  
19           price index. If the student enrolls in a private institution of higher education, for the  
20           first year the student is entitled to receive eighty percent of the statewide average  
21           tuition charged at institutions of higher education under the control of the state  
22           board of higher education. During the next three succeeding years, the amount of  
23           the promise grant provided during the first year increases in accordance with the  
24           consumer price index.
- 25          5. Beginning with the 2016-17 school year, if a student who is eligible for a promise  
26           grant enrolls in an institution of higher education under the control of the state  
27           board of higher education, for the first year the student is eligible to receive a  
28           promise grant in the amount of eighty-five percent of the tuition charged at the  
29           student's institution. During the next three succeeding years, the amount of the  
30           promise grant provided during the first year increases in accordance with the  
31           consumer price index. If the student enrolls in a private institution of higher

1           education, for the first year the student is entitled to receive eighty-five percent of  
2           the statewide average tuition charged at institutions of higher education under the  
3           control of the state board of higher education. During the next three succeeding  
4           years, the amount of the promise grant provided during the first year increases in  
5           accordance with the consumer price index.

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

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

20           **Promise grant - Credit.** The promise grant is payable by the state board of higher  
21 education to an accredited institution in which the student is enrolled, during each year the  
22 student is consecutively enrolled, until the student completes the requirements for a certificate,  
23 diploma, or degree, provided that a student may not receive a grant for more than four  
24 consecutive years. The grant must be credited toward any tuition charges due and payable by  
25 the student, after accounting for all other grants and scholarships that reduce the amount of  
26 tuition owed by the student. If the grant exceeds the amount owed by the student, the excess  
27 funds must be returned to the program and the student has no further right to the funds. No  
28 grants are payable after the 2024-25 school year.

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

1           **Annual reports.** The state board of higher education shall provide an annual report  
2 regarding the promise grants to an interim committee designated by the legislative council. The  
3 superintendent of public instruction shall at the same time provide an annual report regarding  
4 student demographics and student achievement, as evidenced by cumulative grade point  
5 averages and high school course selections.

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

8           **North Dakota merit award trust fund - Creation - Continuing appropriation.** There  
9 is created in the state treasury a special fund known as the North Dakota merit award trust  
10 fund. The fund consists of any moneys appropriated by the legislative assembly, together with  
11 any gifts or grants received from any public or private sources. The state board of higher  
12 education shall administer the fund. The state investment board shall invest moneys in the fund  
13 in accordance with chapter 21-10, and any income earned must be deposited into the trust  
14 fund. All interest and income from the trust fund is available to the state board of higher  
15 education for the purpose of providing North Dakota promise grants under this Act. The state  
16 board of higher education shall return any unexpended amount in the trust fund on June 30,  
17 2025, to the general fund in the state treasury.

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

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

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

30           **SECTION 9. LEGISLATIVE INTENT - ACCESS TO APPROPRIATE EDUCATION.** It  
31 is the intent of the legislative assembly that the state board of public school education, the state

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1 board of higher education, the education standards and practices board, and the state board for  
2 career and technical education continue their joint efforts to establish high standards and  
3 expectations of students at all levels of the education continuum and that the boards do all  
4 things necessary and proper to ensure that the students of this state have access to  
5 challenging curricula, highly qualified teachers and instructors, and an education system that  
6 allows them to meet the promise reflected in their abilities and the demands of a twenty-first  
7 century global economy.