

**SECOND ENGROSSMENT
with House Amendments**

Sixty-first
Legislative Assembly
of North Dakota

REENGROSSED SENATE BILL NO. 2062

Introduced by

Legislative Council

(Workforce Committee)

1 A BILL for an Act to create and enact three new sections to chapter 15-62.2 of the North
2 Dakota Century Code, relating to merit scholarships for students attending certain institutions of
3 higher education; to amend and reenact subsections 1 and 3 of section 15-10-37 and sections
4 15-62.2-02 and 15.1-01-02 of the North Dakota Century Code, relating to student financial
5 assistance grants, technology grants, and joint meetings of the state's education boards; to
6 provide for a legislative council study; to provide an appropriation; to provide an expiration date;
7 and to declare an emergency.

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

9 **SECTION 1. AMENDMENT.** Subsections 1 and 3 of section 15-10-37 of the North
10 Dakota Century Code are amended and reenacted as follows:

- 11 1. The state board of higher education shall administer a science, technology,
12 engineering, and mathematics occupations student loan program that encourages
13 college students to pursue ~~technology-based~~ studies in these fields, to participate
14 in ~~technology~~ internship programs, and to remain in the state after graduation.
15 The board shall adopt rules to implement the program, including internship
16 requirements, guidelines to determine which technology-related courses of study
17 are eligible under the program, and standards ~~for~~ of eligibility for primary sector
18 employment.
- 19 3. The state board of higher education shall distribute student loan grants directly to
20 the Bank of North Dakota to repay outstanding student loan principal balances for
21 eligible applicants. The maximum student loan grant amount for which an
22 applicant may qualify is one thousand five hundred dollars per year and a total of
23 ~~five six~~ six thousand dollars, or a lesser amount established by rule adopted by the
24 state board of higher education.

1 **SECTION 2. AMENDMENT.** Section 15-62.2-02 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **15-62.2-02. State board of higher education - Powers and duties.** The state board
4 of higher education shall:

- 5 1. Administer the North Dakota student financial assistance program and the North
6 Dakota scholars program and adopt functional rules regarding the eligibility and
7 selection of grant and scholarship recipients.
- 8 2. Determine the amount of individual grants, ~~but~~ which may not exceed one
9 thousand five hundred dollars per recipient per academic year, under the North
10 Dakota student financial assistance program.
- 11 3. ~~Adopt for~~ For the North Dakota student financial assistance program, adopt criteria
12 for substantial need, based upon the ability of the parents or guardian to contribute
13 toward the applicant's educational expenses.
- 14 4. Establish the appropriate procedures for fiscal control, fund accounting, and
15 necessary reports.
- 16 5. Apply for, receive, expend, and administer granted moneys from federal or private
17 sources.

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 **Merit scholarship - Eligibility.** A student is eligible for a merit scholarship if the
21 student:

- 22 1. Was a resident of this state for the twelve months preceding the date the student
23 met the graduation or high school diploma requirements set forth in subsection 2;
- 24 2. During or after the 2010-11 school year:
 - 25 a. Graduated from a public or nonpublic high school in this state;
 - 26 b. Graduated from a high school in another state under chapter 15.1-29; or
 - 27 c. Met the requirements for a high school diploma through home education, in
28 accordance with section 15.1-23-17;
- 29 3. Completed the requirements for a merit scholarship with technical honors or a
30 merit scholarship with academic honors, as set forth in House Bill No. 1400, as
31 enacted by the sixty-first legislative assembly;

- 1 4. Submitted an application for a merit scholarship to the state board of higher
2 education; and
- 3 5. a. Is enrolled in an associate or a baccalaureate program at an accredited public
4 or private institution of higher education in this state;
- 5 b. Is a "full-time" student, as defined by the institution; and
- 6 c. Maintains a minimum 2.75 cumulative grade point average.

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

9 **Merit scholarship - Amount payable.**

- 10 1. Beginning with the 2010-11 school year, the board shall forward to the institution in
11 which an eligible student is enrolled, on behalf of the student, an amount equal to
12 seven hundred fifty dollars per semester.
- 13 2. A student is not entitled to receive more than six thousand dollars under section 3
14 of this Act.
- 15 3. Section 3 of this Act does not require a student to be enrolled in consecutive
16 semesters. However, a merit scholarship is valid for only six academic years after
17 the student's graduation from high school and may not be applied to graduate
18 programs.

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

21 **Annual report.** The state board of higher education shall provide to the legislative
22 council an annual report regarding the number of scholarships provided under section 4 of this
23 Act and demographic information pertaining to the recipients.

24 **SECTION 6. AMENDMENT.** Section 15.1-01-02 of the North Dakota Century Code is
25 amended and reenacted as follows:

26 **15.1-01-02. Joint meetings - State board of public school education - State board**
27 **of higher education - Education standards and practices board - State board for career**
28 **and technical education.** The state board of public school education, the state board of
29 higher education, the education standards and practices board, and the state board for career
30 and technical education shall meet together at least once each year at the call of the
31 superintendent of public instruction, the commissioner of higher education, the executive

- 1 director of the education standards and practices board, and the director of career and
2 technical education for the purposes of:
- 3 1. Coordinating elementary and secondary education programs, career and technical
4 education programs, and higher education programs;
 - 5 2. Establishing high standards and expectations of students at all levels of the
6 education continuum;
 - 7 3. Ensuring that all students have access to challenging curricula;
 - 8 4. Ensuring that the individuals instructing students at all levels of the education
9 continuum are highly qualified and capable;
 - 10 5. Cooperating in the provision of professional growth and development opportunities
11 for ~~elementary and secondary teachers and administrators.~~ individuals instructing
12 students at all levels of the education continuum; and
 - 13 6. Ensuring cooperation in any other jointly beneficial project or program.

14 **SECTION 7. LEGISLATIVE COUNCIL STUDY - HIGHER EDUCATION STUDENT**

15 **TRUST FUND.** During the 2009-10 interim, the legislative council shall consider studying the
16 establishment of a higher education student trust fund, including available funding sources.
17 The study, if conducted, must review best practices to include demonstrated in-migration
18 patterns and long-term return on investment to the citizens of North Dakota by ensuring
19 students are prepared to meet the changing needs of a global economy and to strengthen the
20 economy of the state. The legislative council shall report its findings and recommendations,
21 together with any legislation required to implement the recommendations, to the sixty-second
22 legislative assembly.

23 **SECTION 8. APPROPRIATION.** The funds provided in this section, or so much of the
24 funds as may be necessary, are appropriated out of any moneys in the general fund in the state
25 treasury, not otherwise appropriated, to the state board of higher education for the purpose of
26 implementing student financial aid programs, for the biennium beginning July 1, 2009, and
27 ending June 30, 2011, as follows:

28 Needs-based financial aid program	\$21,000,000
29 Merit scholarships	3,000,000
30 STEM student loan forgiveness	<u>1,000,000</u>
31 Total general fund appropriation	\$25,000,000

1 The state board of higher education may use up to \$50,000 of the amount appropriated in this
2 section for merit scholarships to cover expenses incurred as a result of administering the merit
3 scholarship program.

4 **SECTION 9. EXPIRATION DATE.** Section 1 of this Act is effective through June 30,
5 2011, and after that date is ineffective.

6 **SECTION 10. EMERGENCY.** Section 2 of this Act is declared to be an emergency
7 measure.