

**SENATE BILL NO. 2086**

Introduced by

Education Committee

(At the request of the Department of Transportation)

1 A BILL for an Act to amend and reenact section 24-02-42 of the North Dakota Century Code,  
2 relating to scholarship allowances.

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

4 **SECTION 1. AMENDMENT.** Section 24-02-42 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6 **24-02-42. Scholarships authorized.** The director is authorized to establish continuing  
7 grants of financial aid for study in undergraduate coursework, which meets the needs and  
8 mission of the department, at institutions of higher learning in this state. Expenditure ~~of not~~  
9 ~~over twenty thousand dollars annually~~ from highway operating funds is authorized. No  
10 individual may receive financial aid in any year exceeding ~~two thousand dollars nor a total~~  
11 ~~exceeding six thousand dollars and an executed contract of employment is a prerequisite the~~  
12 tuition of the institution for which the student is enrolled. The director shall establish the annual  
13 expenditure in the department's budget, which includes individual student financial aid  
14 limitations to be determined by the director dependent on the available funds. Before any  
15 student shall receive the financial aid authorized by this section, the student shall enter into a  
16 contract with the department, which must provide that such student shall upon graduation  
17 accept employment with the department for a period of time at least equal to the time the  
18 student received financial aid benefits, the salary to be in the grade established for the  
19 classification assigned. In the event such student is inducted into the armed forces before  
20 graduation, such education may then be completed upon that student's return to civil life, and in  
21 the event such induction into the armed services is made after graduation the employment  
22 contract does not take effect until after such period of service in the armed forces has been  
23 completed. Leave of absence without pay will be granted to one whose induction occurs during

1 the period of the life of such contract and the employment will be resumed for the balance of the  
2 contract period after such employee has been discharged from the service.

3           If such student fails to graduate with a degree, or fails to accept employment with the  
4 department as above provided, such student shall repay the department, with interest at the  
5 rate of six percent per annum, all sums received by the student in financial aid benefits under  
6 the contract herein provided, such repayment to be made within a period equal to the time the  
7 student received such benefits. For the purpose of this section, defenses of minority or statute  
8 of limitations are removed as to any applicant granted a loan by the director and such contracts  
9 are in all respects legal and binding. Salary increases to employees having received financial  
10 aid by virtue of this section must be based on the same considerations as other employees  
11 employed by the department.

12           The director, with the cooperation and concurrence of the board of higher education,  
13 shall prescribe rules for determining the selection of recipients, qualifications, and courses of  
14 study. Such rules may cover any areas as may be necessary to assure a source of qualified  
15 trained employees for the department.