

**FIRST ENGROSSMENT
with House Amendments
ENGROSSED SENATE BILL NO. 2272**

Introduced by

Senators Schaible, Wanzek

Representatives Dockter, Headland, Nathe

1 A BILL for an Act to create and enact section 15-10-38.3 of the North Dakota Century Code,
2 relating to administrative fees retained by the state board of higher education; to amend and
3 reenact sections 15-10-38.1 and 15-10-38.2 of the North Dakota Century Code and sections 3
4 and 4 of chapter 136 of the 2019 Session Laws, relating to the skilled workforce student loan
5 repayment program and skilled workforce scholarship program; to provide a continuing
6 appropriation; to provide for a transfer; to provide an effective date; and to provide an expiration
7 date.

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.
- 20 2. The state board of higher education shall adopt policies and procedures to develop,
21 implement, promote, and administer a skilled workforce student loan repayment
22 program in cooperation with the Bank of North Dakota and the North Dakota workforce
23 development council with the intent of attracting and retaining individuals for
24 professional or technical skills in high demand in this state.

- 1 3. The North Dakota workforce development council in cooperation with job service North
2 Dakota shall use available labor market information to determine annually the eligible
3 high-demand professional and technical skills and emerging occupations in this state.
- 4 4. ~~The state board of higher education and the North Dakota workforce development~~
5 ~~council shall compile a list of qualifying educational programs annually. Qualifying~~
6 ~~educational programs must pertain to the professional and technical skills and~~
7 ~~emerging occupations in high demand in this state, as determined under subsection 3.~~
8 ~~Qualifying educational programs may include degree or certificate programs.~~
- 9 5. Graduates of ~~qualifying educational~~ degree or certificate programs from institutions or
10 entities in ~~this~~ any state may apply for the skilled workforce student loan repayment
11 program. To be eligible to receive student loan repayment grants under the program,
12 the applicant:
- 13 a. Must have successfully completed a ~~qualifying~~ an educational program from an
14 eligible institution of higher education;
- 15 b. Must have a student loan with the Bank of North Dakota or other participating
16 lender;
- 17 c. Following completion of a ~~qualifying~~ an educational program, must reside and
18 work in this state in an eligible high-demand or emerging occupation; and
- 19 d. Must have met and shall continue to meet any requirements established ~~by rule~~ in
20 applicable state board of higher education procedures.
- 21 ~~6.5.~~ The state board of higher education shall adopt ~~rules~~ procedures to ensure compliance
22 with residency and occupation requirements after completion of the ~~qualifying~~
23 educational program.
- 24 ~~7.6.~~ 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 ~~8-7.~~ If an individual is receiving loan forgiveness under any other ~~provision~~state program,
4 the individual may not receive a student loan repayment grant under this section
5 during the same application year. An individual who received a skilled workforce
6 scholarship under section 15-10-38.2 is not eligible for loan forgiveness under this
7 section.

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

11 9. The skilled workforce student loan repayment program must be a joint public and
12 private effort. The state board of higher education shall provide one dollar of funding
13 for each one dollar of funding raised from the private sector. Any matching funds
14 received must be deposited in the skilled workforce student loan repayment program
15 fund.

16 10. The state board of higher education shall provide a biennial program report to the
17 legislative management by September first of each even-numbered year. The report
18 must include information regarding:

19 a. The eligible high-demand professional and technical skills and emerging
20 occupations;

21 b. ~~The qualifying educational programs;~~

22 e. The number of applicants, eligible applicants, and applicants receiving awards;

23 ~~d.c.~~ The amount of private funding raised; and

24 e.d. The average and total amounts awarded under the program.

25 **SECTION 2. AMENDMENT.** Section 15-10-38.2 of the North Dakota Century Code is
26 amended and reenacted as follows:

27 **15-10-38.2. Skilled workforce scholarship program - Skilled workforce scholarship**
28 **fund - Continuing appropriation - Report.**

29 1. There is created in the state treasury the skilled workforce scholarship fund. The fund
30 consists of moneys transferred into the fund by the legislative assembly, matching
31 funds received, and scholarship repayments. Moneys in the fund are appropriated to

1 the state board of higher education on a continuing basis for the purpose of providing
2 grants to institutions of higher education related to skilled workforce scholarships.
3 Institutions of higher education include institutions under the control of the state board
4 of higher education, North Dakota nonpublic accredited institutions of higher
5 education, and tribally controlled community colleges, state-approved educator
6 training programs, and North Dakota institutions approved to operate by the North
7 Dakota board of career and technical education.

8 2. The state board of higher education shall adopt policies and procedures to develop,
9 implement, promote, and administer a skilled workforce scholarship program in
10 cooperation with the Bank of North Dakota and the North Dakota workforce
11 development council with the intent of attracting and retaining individuals for
12 professional or technical skills in high demand in this state.

13 3. The North Dakota workforce development council in cooperation with job service North
14 Dakota shall use available labor market information to determine annually the eligible
15 high-demand professional and technical skills and emerging occupations in this state.

16 4. The state board of higher education and the workforce development council shall
17 compile a list of qualifying educational programs annually. ~~Qualifying~~ A qualifying
18 ~~educational programs must be able to~~ program is a program resulting in attainment of
19 an associate's degree or lower credential upon successful completion or a program
20 that may be completed within four semesters or six quarters and must. A qualifying
21 educational program also must pertain to the professional and technical skills and
22 emerging occupations in high demand in this state, as determined under subsection 3.
23 Qualifying educational programs may include degree or certificate programs.

24 5. Individuals enrolled in a qualifying educational program in this state may apply for a
25 scholarship under this section. Scholarships are limited to the amount charged each
26 quarter, semester, or term by the educational institution for the tuition, fees, books, and
27 supplies required for the qualifying educational program. The scholarships are
28 intended to supplement any other scholarship or financial aid grant received by a
29 student to assist the student with the costs of the qualifying educational program. An
30 individual may not receive ~~more than a~~ combined total exceeding seventeen thousand

1 dollars ~~in total~~ under this section and the skilled workforce loan repayment program
2 under section 15-10-38.1.

3 6. To be eligible for a scholarship and payment under this section, a student must be
4 enrolled full time in an eligible program and ~~maintain~~have at least a 2.5 cumulative
5 grade point average, based on a 4.0 grading system, or maintain academic progress
6 in the program according to program requirements. A student may not receive
7 scholarships under this section for more than the equivalent of four semesters of
8 full-time enrollment or six quarters of full-time enrollment.

9 7. Upon completion of a qualifying educational program, a student who received a
10 scholarship under this section must reside and work in this state in an eligible
11 high-demand or emerging occupation for a minimum of three years.

12 8. An individual shall repay the scholarship pursuant to the terms in the individual's
13 scholarship award agreement if the individual fails to maintain either a 2.5 cumulative
14 grade point average or academic progress according to program requirements while
15 enrolled, ~~discontinues attendance~~withdraws voluntarily or involuntarily before the
16 completion of ~~any semester or quarter~~the program for which a scholarship has been
17 received, or fails to reside and work in this state in an eligible high-demand or
18 emerging occupation for at least three years following degree or certificate completion.

19 9. The state board of higher education may allow an individual who received payment
20 under this section to delay or cancel repayment under this section due to financial
21 difficulty, military service, death, or total disability.

22 10. Each quarter, semester, or term, the state board of higher education shall distribute
23 grants to institutions of higher education to provide the amounts necessary for the
24 scholarships awarded to the students enrolled in each institution.

25 ~~10-11.~~ The skilled workforce scholarship program must be a joint public and private effort.
26 The state board of higher education may distribute grants only to the extent that the
27 private sector has provided one dollar of matching funds for each dollar of funding
28 provided by the state. Any matching funds received must be deposited in the skilled
29 workforce scholarship fund.

1 ~~44-12.~~ The state board of higher education shall provide a biennial program report to the
2 legislative management by September first of each even-numbered year. The report
3 must include information regarding:

- 4 a. The eligible high-demand professional and technical skills and emerging
5 occupations;
6 b. The qualifying educational programs;
7 c. The number of applicants, eligible applicants, and applicants receiving awards;
8 d. The amount of private funding raised; and
9 e. The average and total amounts awarded under the program.

10 **SECTION 3.** Section 15-10-38.3 of the North Dakota Century Code is created and enacted
11 as follows:

12 **15-10-38.3. Scholarship and loan forgiveness administrative costs - Continuing**
13 **appropriation.**

14 The state board of higher education shall retain up to one and one-half percent of any funds
15 appropriated to the board under subsection 1 of section 15-10-38.1 and subsection 1 of section
16 15-10-38.2. The retained funds must be used for promotion and administration of the programs
17 under those sections.

18 **SECTION 4.** Section 15-10-38.3 of the North Dakota Century Code is created and enacted
19 as follows:

20 **15-10-38.3. Scholarship and loan forgiveness administrative costs - Continuing**
21 **appropriation.**

22 The state board of higher education shall retain up to one-half of one percent of any funds
23 appropriated to the board under subsection 1 of section 15-10-38.1 and subsection 1 of section
24 15-10-38.2. The retained funds must be used for administration of the programs under those
25 sections.

26 **SECTION 5.** Section 3 of chapter 136 of the 2019 Session Laws is amended and reenacted
27 as follows:

28 **SECTION 3. TRANSFER - BANK OF NORTH DAKOTA - SKILLED**
29 **WORKFORCE STUDENT LOAN REPAYMENT PROGRAM FUND.** The Bank of
30 North Dakota shall transfer the sum of \$3,000,000, ~~or so much of the sum as may be~~
31 ~~necessary,~~ from the Bank's current earnings and undivided profits to the skilled

1 workforce student loan repayment program fund during the period beginning with the
2 effective date of this Act, and ending ~~June 30~~July 31, 2021.

3 **SECTION 6.** Section 4 of chapter 136 of the 2019 Session Laws is amended and reenacted
4 as follows:

5 **SECTION 4. TRANSFER - BANK OF NORTH DAKOTA - SKILLED**

6 **WORKFORCE SCHOLARSHIP FUND.** The Bank of North Dakota shall transfer the
7 sum of \$3,000,000, ~~or so much of the sum as may be necessary,~~ from the Bank's
8 current earnings and undivided profits to the skilled workforce scholarship fund during
9 the period beginning with the effective date of this Act, and ending ~~June 30~~July 31,
10 2021.

11 **SECTION 7. EXPIRATION DATE.** Section 3 of this Act is effective through July 31, 2023,
12 and after that date is ineffective.

13 **SECTION 8. EFFECTIVE DATE.** Section 4 of this Act becomes effective on August 1, 2023.