

**Sixty-eighth Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 3, 2023**

HOUSE BILL NO. 1030
(Legislative Management)
(Higher Education Committee)

AN ACT to amend and reenact sections 15-10-38.4, 15-10-59, 15-62.5-01, and 15-62.5-03, subdivision a of subsection 1 of section 15-62.5-04, and sections 15-63-01, 15-63-02, 15-63-03, 15-63-04, 15-63-05, 15.1-21-02.6, and 15.1-21-02.8 of the North Dakota Century Code, relating to dual-credit tuition scholarships, the North Dakota scholars program, Indian scholarships, and academic and career and technical education scholarships; and to repeal section 15-63-07 of the North Dakota Century Code, relating to the use of Indian scholarship refunds.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 15-10-38.4 of the North Dakota Century Code is amended and reenacted as follows:

15-10-38.4. Dual-credit courses - Tuition scholarship program - Administered by the board.

1. The state board of higher education shall administer a dual-credit tuition scholarship program to offer a tuition scholarship to students. The board shall adopt procedures to administer the program.
2. An eligible student may apply to the board to receive a scholarship toward the cost of tuition and fees at the accredited in-state public, private, or tribal institution of higher education at which the student is enrolled. To be eligible to receive a scholarship, an individual must:
 - a. Be enrolled and have completed at least one semester, quarter, or term at a public, private, or tribal institution of higher education with a physical presence in the state;
 - b. Have:
 - (1) Graduated from a high school in the state;
 - (2) Graduated from a high school in a bordering state under chapter 15.1-29;
 - (3) Graduated from a nonpublic high school in a bordering state while residing with a custodial parent in this state; or
 - (4) Completed a program of home education under chapter 15.1-23; and
 - c. Have successfully completed at least one dual-credit course provided by an accredited public, private, or tribal institution ~~under the control of the state board of higher education in the state~~ while enrolled in high school or a program of home education in the state.
3. The state board of higher education shall provide an eligible student with a tuition scholarship equal to ~~fifty percent of the cost of the~~ two hundred fifty dollars for one successfully completed dual-credit course, five hundred dollars for two successfully completed dual-credit courses, or seven hundred fifty dollars for three or more successfully completed dual-credit courses. The dual-credit courses must be provided by an accredited public, private, or tribal institution ~~under the control of the state board of higher education in the state~~, and completed by the student while in high school or a program of home education, ~~in an amount up to seven hundred fifty dollars~~. A scholarship received by a student during any semester, quarter, or term of enrollment under this section may not exceed the cost of tuition and fees for the semester,

quarter, or term. ~~A student is not eligible to receive more than seven hundred fifty dollars under this section.~~

SECTION 2. AMENDMENT. Section 15-10-59 of the North Dakota Century Code is amended and reenacted as follows:

15-10-59. Annual report - Scholarships. (Effective through July 31, 20242030)

The state board of higher education shall provide to the legislative management an annual report regarding the number of North Dakota scholarships, North Dakota academic scholarships, and North Dakota career and technical education scholarships provided and demographic information pertaining to the recipients.

Annual report - Scholarships. (Effective after July 31, 20242030) The state board of higher education shall provide to the legislative management an annual report regarding the number of North Dakota scholarships provided and demographic information pertaining to the recipients.

SECTION 3. AMENDMENT. Section 15-62.5-01 of the North Dakota Century Code is amended and reenacted as follows:

15-62.5-01. Scholars program.

The state board of higher education shall administer the scholars program for the purpose of providing a merit-based scholarship to an individual who:

1.
 - a. Graduated from a high school in this state;
 - b. Graduated from a high school in a bordering state, pursuant to chapter 15.1-29;
 - c. Graduated from a nonpublic high school in a bordering state while residing with a custodial parent in this state; or
 - d. Completed a program of home education supervised in accordance with chapter 15.1-23;
2. On the ACT achieved a composite score of 30 or higher, or an equivalent score on an equivalent nationally recognized standardized test approved by the state board of higher education, ~~achieved composite scores that ranked the individual at or above the ninety-fifth percentile among those who took the ACT or an equivalent nationally recognized standardized test approved by the state board of higher education,~~ prior to July first in the calendar year preceding the individual's post-secondary enrollment;
3.
 - a. Is enrolled at an accredited institution of higher education with a physical presence in this state that offers a program of instruction equal to at least two academic years;
 - b. Because of a medically certifiable disability is enrolled at an accredited institution of higher education outside of this state that offers the individual special services or facilities not available in this state, provided the institution offers a program of instruction equal to at least two academic years; and
4. Is pursuing a course of study determined by the board to be full-time.

SECTION 4. AMENDMENT. Section 15-62.5-03 of the North Dakota Century Code is amended and reenacted as follows:

15-62.5-03. Scholars program - Ranking and selection of recipients.

1. The state board of higher education shall rank scholars program applicants by their ACT composite scores or equivalent scores on a nationally recognized standardized test approved by the state board of higher education.

2. If two or more applicants have the same ~~composite scores as determined in subsection 1,~~ they must be ranked by the numeric sum of their four scale scores on the ACT or equivalent scores ~~on. If a nationally recognized standardized test approved by the state board of higher education does not calculate scale scores, the equivalent will be zero.~~
3. If two or more applicants have the same ~~composite scores and the same numeric sum of the four scale scores as determined in subsections 1 and 2,~~ they must be ranked by the numeric sum of their English and mathematics scores. If a nationally recognized standardized test approved by the state board of higher education does not calculate equivalent English and mathematics scores, the equivalent will be zero.
4. The state board of higher education may establish additional criteria to rank applicants who have the same ~~numeric sum of their English and mathematics scores as determined in subsections 1 through 3.~~
5. Scholarships must be offered to applicants in descending order according to this ranking until available funds have been expended or until the pool of applicants has been exhausted.

SECTION 5. AMENDMENT. Subdivision a of subsection 1 of section 15-62.5-04 of the North Dakota Century Code is amended and reenacted as follows:

- a. Each semester, the state board of higher education shall provide to an eligible student a scholarship in an amount not exceeding the tuition charged at the institution in which the student is enrolled, provided the amount ~~may does~~ not exceed the highest undergraduate semester tuition charged at an institution of higher education under the control of the state board of higher education.

SECTION 6. AMENDMENT. Section 15-63-01 of the North Dakota Century Code is amended and reenacted as follows:

15-63-01. State board for IndianNative American scholarships.

There is hereby established a state board for IndianNative American scholarships consisting of an IndianNative American appointed by the governor, the executive director of the state Indian affairs commission, and the commissioner of higher education or the commissioner's designee. The commissioner of higher education or the commissioner's designee shall serve as chairperson and the executive director of the state Indian affairs commission shall serve as secretary of the board for IndianNative American scholarships. The state board of higher education shall request scholarship funds and staff to administer the IndianNative American scholarship program in the board's biennial budget request.

SECTION 7. AMENDMENT. Section 15-63-02 of the North Dakota Century Code is amended and reenacted as follows:

15-63-02. Duties of board.

The state board for IndianNative American scholarships shall:

1. Award ~~scholarship grants~~ scholarships as provided in this chapter.
2. Direct the North Dakota university system in administration of awards under this chapter.
3. Make necessary rules and establish standards, requirements, and procedures for the administration of this chapter.
- 3-4. Encourage members of federally recognized Indian tribes to attend and ~~be graduated~~ graduate from any accredited institution of higher learning or ~~state~~ accredited career and technical education program ~~within~~ with a physical presence in this state, and to ~~make application~~ apply for scholarships.

SECTION 8. AMENDMENT. Section 15-63-03 of the North Dakota Century Code is amended and reenacted as follows:

15-63-03. Number and nature of scholarships.

The state board for ~~Indian~~Native American scholarships shall provide scholarships each year for resident members of federally recognized Indian tribes to ~~entitle persons so selected to enter and attend any~~ accredited institution of higher learning or ~~state~~accredited career and technical education program ~~within~~with a physical presence in this state upon compliance with all requirements for admission and to pursue any course or courses offered in such institutions or programs.

SECTION 9. AMENDMENT. Section 15-63-04 of the North Dakota Century Code is amended and reenacted as follows:

15-63-04. Eligibility of candidates - Determination.

~~The initial and continuing scholarship~~Scholarship eligibility of state residents who are enrolled members of federally recognized Indian tribes must be determined by the state board for ~~Indian~~Native American scholarships ~~after the candidate has gained admission to any institution of higher learning or state career and technical education program within this state and has had this fact certified to the board annually for applicants.~~ Factors to be considered in the award of these scholarships are the candidate's financial need and probable and continuing success as a student.

SECTION 10. 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 ~~granting~~award of a scholarship and ~~acceptance thereof~~, the recipient is eligible for a credit ~~in fees in~~at the enrolling institution of higher learning or ~~state~~accredited career and technical education program ~~to apply toward the cost of registration, health, activities, board, books, and other necessary items of~~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 for ~~three quarters, or clock-hour term~~ or one thousand dollars per semester for ~~two semesters.~~ Awards may not exceed two thousand dollars in any academic year. The board for ~~Indian~~Native American scholarships may reduce the amount of any scholarship to accord with individual financial need or funds available. ~~After the enrolling institution or program has deducted the amount due such institution, the remaining balance must be given to the recipient for necessary expenses during the quarter or semester.~~The board for Native American scholarships may set a priority application date. At the beginning of each quarter, clock-hour term, or semester of a regular academic year, the board for ~~Indian~~ scholarships shall certify to the director of the office of management and budget the name of each recipient and the amount payable, and the director of the office of management and budget shall issue a warrant to the state treasurer who shall pay the amount of the scholarship to the institution of higher learning or state career and technical education program in which the recipient is enrolled. ~~Renewal of the scholarship award is subject to the maintenance of a minimum grade average of "C" in the courses taken, 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 11. 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, 20242030)

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.
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. 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. 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. 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. 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.

15.1-21-02.6. North Dakota scholarship - Amount - Applicability. (Effective after July 31, 20242030)

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.
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. 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. 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.
- 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. 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 12. AMENDMENT. Section 15.1-21-02.8 of the North Dakota Century Code is amended and reenacted as follows:

15.1-21-02.8. North Dakota scholarship - Eligibility - One-time exception. (Effective through July 31, 2024~~2030~~)

1. a. Notwithstanding section 15.1-21-02.6, if a student's cumulative grade point average as determined by the state board of higher education at the conclusion of a semester, quarter, or clock-hour term is below 2.75, the board shall grant an exception and provide the North Dakota scholarship to which the student would otherwise be entitled for the next semester, quarter, or clock-hour term in which the student is enrolled full time. The exception provided by this section is applicable to a student only one time.
- b. If a student's cumulative grade point average as determined by the state board of higher education at the conclusion of a semester, quarter, or clock-hour term is below 2.75 for a second time, the student is no longer eligible to receive a North Dakota, North Dakota academic, or North Dakota career and technical education scholarship.

2. 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.

15.1-21-02.8. North Dakota scholarship - Eligibility - One-time exception. (Effective after July 31, 20242030)

1.
 - a. Notwithstanding section 15.1-21-02.6, if a student's cumulative grade point average as determined by the state board of higher education at the conclusion of a semester, quarter, or clock-hour term is below 2.75, the board shall grant an exception and provide the North Dakota scholarship to which the student would otherwise be entitled for the next semester, quarter, or clock-hour term in which the student is enrolled full time. The exception provided by this section is applicable to a student only one time.
 - b. If a student's cumulative grade point average as determined by the state board of higher education at the conclusion of a semester, quarter, or clock-hour term is below 2.75 for a second time, the student is no longer eligible to receive a North Dakota scholarship.
2. 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 13. REPEAL. Section 15-63-07 of the North Dakota Century Code is repealed.

Speaker of the House

President of the Senate

Chief Clerk of the House

Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Sixty-eighth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1030.

House Vote: Yeas 91 Nays 1 Absent 2

Senate Vote: Yeas 46 Nays 1 Absent 0

Chief Clerk of the House

Received by the Governor at _____ M. on _____, 2023.

Approved at _____ M. on _____, 2023.

Governor

Filed in this office this _____ day of _____, 2023,

at _____ o'clock _____ M.

Secretary of State