

HOUSE BILL NO. 1240

Introduced by

Representatives Schreiber-Beck, Hager, Jonas, Longmuir, Mitskog, M. Ruby, Sanford,
Strinden

Senators Bekkedahl, K. Roers, Weber

1 A BILL for an Act to amend and reenact section 15-10-38.1, 15-10-38.2, and 15-10-38.3 of the
2 North Dakota Century Code, relating to skilled workforce student loan repayment and skilled
3 workforce scholarships; and to provide for a transfer.

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

5 **SECTION 1. AMENDMENT.** Section 15-10-38.1 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **15-10-38.1. Skilled workforce student loan repayment program - Skilled workforce**
8 **student loan repayment program fund - Continuing appropriation - Report. (~~Repealed-~~**
9 **effective July 1, 2023)**

- 10 1. There is created in the state treasury the skilled workforce student loan repayment
11 program fund. The fund consists of moneys transferred into the fund by the legislative
12 assembly, matching funds received, and loan repayments. Moneys in the fund are
13 appropriated to the state board of higher education on a continuing basis for the
14 purpose of distributing student loan repayment grants directly to the Bank of North
15 Dakota or other participating lender to repay outstanding student loan principal
16 balances for eligible applicants. The state board of higher education may transfer
17 money between this fund and the skilled workforce scholarship fund established in
18 section 15-10-38.2.
- 19 2. The state board of higher education shall adopt policies and procedures to develop,
20 implement, promote, and administer a skilled workforce student loan repayment
21 program in cooperation with the Bank of North Dakota and the North Dakota workforce
22 development council with the intent of attracting and retaining individuals for
23 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. Graduates of degree or certificate programs from institutions or entities in any state
5 may apply for the skilled workforce student loan repayment program. To be eligible to
6 receive student loan repayment grants under the program, the applicant:
 - 7 a. Must have successfully completed an educational program from an institution of
8 higher education;
 - 9 b. Must have a student loan with the Bank of North Dakota or other participating
10 lender;
 - 11 c. Following completion of an educational program, must reside and work in this
12 state in an eligible high-demand or emerging occupation; and
 - 13 d. Must have met and shall continue to meet any requirements established in
14 applicable state board of higher education procedures.
- 15 5. The state board of higher education shall adopt procedures to ensure compliance with
16 residency and occupation requirements after completion of the educational program.
- 17 6. The state board of higher education shall distribute student loan repayment grants
18 from the skilled workforce student loan repayment program fund directly to the Bank of
19 North Dakota or other participating lender to repay outstanding student loan principal
20 balances for eligible applicants. The maximum annual student loan repayment grant
21 amount for which an applicant may qualify is five thousand six hundred sixty-seven
22 dollars, or one-third of the applicant's outstanding student loan principal balance upon
23 initial application for the program, whichever is less. The maximum total student loan
24 repayment grant amount for which any applicant may qualify is seventeen thousand
25 dollars.
- 26 7. If an individual is receiving loan forgiveness under any other state program, the
27 individual may not receive a student loan repayment grant under this section during
28 the same application year. ~~An individual who received a skilled workforce scholarship
29 under section 15-10-38.2 is not eligible for loan forgiveness under this section.~~

- 1 8. An individual may receive a combined total of no more than seventeen thousand
2 dollars under this section and the skilled workforce scholarship program under section
3 15-10-38.2.
- 4 9. ~~The skilled workforce student loan repayment program must be a joint public and~~
5 ~~private effort.~~ The state board of higher education shall provide one dollar of funding
6 for each one dollar of ~~funding~~funds raised from the private sector or other public
7 sources. Any matching funds received must be deposited in the skilled workforce
8 student loan repayment program fund.
- 9 10. The state board of higher education shall provide a biennial program report to the
10 legislative management by September first of each even-numbered year. The report
11 must include information regarding:
- 12 a. The eligible high-demand professional and technical skills and emerging
13 occupations;
- 14 b. The number of applicants, eligible applicants, and applicants receiving awards;
- 15 c. The amount of ~~private funding~~matching funds raised; and
- 16 d. The average and total amounts awarded under the program.

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

19 **15-10-38.2. Skilled workforce scholarship program - Skilled workforce scholarship**
20 **fund - Continuing appropriation - Report. (~~Repealed effective July 1, 2023~~)**

- 21 1. There is created in the state treasury the skilled workforce scholarship fund. The fund
22 consists of moneys transferred into the fund by the legislative assembly, matching
23 funds received, and scholarship repayments. Moneys in the fund are appropriated to
24 the state board of higher education on a continuing basis for the purpose of providing
25 grants to institutions of higher education related to skilled workforce scholarships.
26 Institutions of higher education include institutions under the control of the state board
27 of higher education, North Dakota nonpublic accredited institutions of higher
28 education, tribally controlled community colleges, state-approved educator training
29 programs, and North Dakota institutions approved to operate by the North Dakota
30 board of career and technical education. The state board of higher education may

1 transfer money between this fund and the skilled workforce student loan repayment
2 program fund established in section 15-10-38.1.

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

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

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

20 5. Individuals enrolled in a qualifying educational program in this state may apply for a
21 scholarship under this section. Scholarships are limited to the amount charged each
22 quarter, semester, or term by the educational institution for the tuition, fees, books, and
23 supplies required for the qualifying educational program. The scholarships are
24 intended to supplement any other scholarship or financial aid grant received by a
25 student to assist the student with the costs of the qualifying educational program. An
26 individual may not receive a combined total exceeding seventeen thousand dollars
27 under this section and the skilled workforce loan repayment program under section
28 15-10-38.1.

29 6. To be eligible for a scholarship ~~and~~ payment under this section, a student must be
30 enrolled full time in an eligible program and have at least a 2.5 cumulative grade point
31 average, based on a 4.0 grading system, or maintain academic progress in the

- 1 program according to program requirements. A student may not receive scholarships
2 under this section for more than the equivalent of four semesters of full-time
3 enrollment or six quarters of full-time enrollment.
- 4 7. Upon completion of a qualifying educational program, a student who received a
5 scholarship under this section must reside and work in this state in an eligible
6 high-demand or emerging occupation for a minimum of three years.
- 7 8. An individual shall repay the scholarship pursuant to the terms in the individual's
8 scholarship award agreement if the individual fails to maintain either a 2.5 cumulative
9 grade point average or academic progress according to program requirements while
10 enrolled, withdraws voluntarily or involuntarily before the completion of the program for
11 which a scholarship has been received, or fails to reside and work in this state in an
12 eligible high-demand or emerging occupation for at least three years following degree
13 or certificate completion.
- 14 9. The state board of higher education, in conjunction with the Bank of North Dakota,
15 may allow an individual who received payment under this section to delay or cancel
16 repayment under this section due to financial difficulty, military service, death, or total
17 disability.
- 18 10. Each quarter, semester, or term, the state board of higher education shall distribute
19 grants to institutions of higher education to provide the amounts necessary for the
20 scholarships awarded to the students enrolled in each institution.
- 21 11. ~~The skilled workforce scholarship program must be a joint public and private effort.~~
22 ~~The state board of higher education may distribute grants only to the extent that the~~
23 ~~private sector has provided one dollar of matching funds for each dollar of funding~~
24 ~~provided by the state.~~The state board of higher education shall provide one dollar of
25 funding for each one dollar of funds raised from the private sector or other public
26 sources. Any matching funds received must be deposited in the skilled workforce
27 scholarship fund.
- 28 12. The state board of higher education shall provide a biennial program report to the
29 legislative management by September first of each even-numbered year. The report
30 must include information regarding:

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

7 **SECTION 3. AMENDMENT.** Section 15-10-38.3 of the North Dakota Century Code is
8 amended and reenacted as follows:

9 **15-10-38.3. Scholarship and loan forgiveness administrative costs - Continuing**
10 **appropriation. (~~Effective through July 31, 2023~~)**

11 The state board of higher education shall retain up to one and one-half percent of any funds
12 appropriated to the board under subsection 1 of section 15-10-38.1 and subsection 1 of section
13 15-10-38.2. The retained funds must be used for promotion and administration of the programs
14 under those sections.

15 ~~**Scholarship and loan forgiveness administrative costs - Continuing appropriation.**~~
16 ~~**(Effective after July 31, 2023)**~~ The state board of higher education shall retain up to one-half of
17 one percent of any funds appropriated to the board under subsection 1 of section 15-10-38.1
18 and subsection 1 of section 15-10-38.2. The retained funds must be used for administration of
19 the programs under those sections.

20 **SECTION 4. TRANSFER - STATE TREASURER - SKILLED WORKFORCE STUDENT**

21 **LOAN REPAYMENT PROGRAM FUND.** The state treasurer shall transfer the sum of
22 \$1,000,000, or so much of the sum as may be necessary, from the legacy earnings fund to the
23 skilled workforce student loan repayment fund during the biennium beginning July 1, 2023, and
24 ending June 30, 2025.

25 **SECTION 5. TRANSFER - STATE TREASURER - SKILLED WORKFORCE**

26 **SCHOLARSHIP FUND.** The state treasurer shall transfer the sum of \$1,000,000, or so much of
27 the sum as may be necessary, from the legacy earnings fund to the skilled workforce
28 scholarship fund during the biennium beginning July 1, 2023, and ending June 30, 2025.