

October 2008

Introduced by

1 A BILL for an Act to create and enact five new sections to chapter 15-62.2 of the North Dakota  
2 Century Code, relating to creation of the North Dakota opportunity grant program for students  
3 enrolled in institutions of higher education; to provide for reports to the legislative council; to  
4 provide legislative intent; to provide a transfer; to provide for the preparation of legislation; and  
5 to provide a continuing appropriation.

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

7 **SECTION 1.** A new section to chapter 15-62.2 of the North Dakota Century Code is  
8 created and enacted as follows:

9 **Opportunity grant - Eligibility.** A student is eligible for an opportunity grant if the  
10 student:

- 11 1. Was a resident of this state for the twelve months preceding the date the student  
12 met the graduation or high school diploma requirements under subsection 2;
- 13 2. After April 30, 2014:
  - 14 a. Graduated from a public or nonpublic high school in this state;
  - 15 b. Graduated from a high school in another state under chapter 15.1-29; or
  - 16 c. Met the requirements for a high school diploma through home education, in  
17 accordance with section 15.1-23-17;
- 18 3. Completed a high school curriculum that included at least four units of mathematics  
19 at the level of algebra I and higher and four units of science;
- 20 4. Has a minimum cumulative composite score of twenty-three or a minimum  
21 mathematics scale score of twenty-three on the test of academic achievement  
22 administered by ACT, Inc., or is enrolled in a two-year career and technical  
23 academic program that is recognized by the department of career and technical  
24 education;

1           5. Submitted an application for an opportunity grant as required by the state board of  
2           higher education; and

3           6. a. Is continuously enrolled and carries a course of study that is defined as "full  
4           time" by the institution;

5           b. Is enrolled in an associate or baccalaureate program; and

6           c. Maintains a minimum 3.0 cumulative college grade point average.

7           **SECTION 2.** A new section to chapter 15-62.2 of the North Dakota Century Code is  
8 created and enacted as follows:

9           **Opportunity grant - Amount payable - Annual increase.**

10          1. Beginning with the 2014-15 school year:

11           a. If a student who is eligible for an opportunity grant enrolls in an institution of  
12           higher education under the control of the state board of higher education, for  
13           the first year the student is eligible to receive an opportunity grant in the  
14           amount of sixty-five percent of the tuition charged at the student's institution.  
15           During the next three succeeding years, the amount of the opportunity grant  
16           provided during the first year increases in accordance with the consumer price  
17           index.

18           b. If the student enrolls in a private institution of higher education, for the first  
19           year the student is entitled to receive sixty-five percent of the statewide  
20           average tuition charged at four-year institutions of higher education under the  
21           control of the state board of higher education. During the next three  
22           succeeding years, the amount of the opportunity grant provided during the  
23           first year increases in accordance with the consumer price index.

24          2. Beginning with the 2015-16 school year:

25           a. If a student who is eligible for an opportunity grant enrolls in an institution of  
26           higher education under the control of the state board of higher education, for  
27           the first year the student is eligible to receive an opportunity grant in the  
28           amount of seventy percent of the tuition charged at the student's institution.  
29           During the next three succeeding years, the amount of the opportunity grant  
30           provided during the first year increases in accordance with the consumer price  
31           index.

- 1            b. If the student enrolls in a private institution of higher education, for the first  
2            year the student is entitled to receive seventy percent of the statewide  
3            average tuition charged at four-year institutions of higher education under the  
4            control of the state board of higher education. During the next three  
5            succeeding years, the amount of the opportunity grant provided during the  
6            first year increases in accordance with the consumer price index.
- 7            3. Beginning with the 2016-17 school year:
- 8            a. If a student who is eligible for an opportunity grant enrolls in an institution of  
9            higher education under the control of the state board of higher education, for  
10           the first year the student is eligible to receive an opportunity grant in the  
11           amount of seventy-five percent of the tuition charged at the student's  
12           institution. During the next three succeeding years, the amount of the  
13           opportunity grant provided during the first year increases in accordance with  
14           the consumer price index.
- 15           b. If the student enrolls in a private institution of higher education, for the first  
16           year the student is entitled to receive seventy-five percent of the statewide  
17           average tuition charged at four-year institutions of higher education under the  
18           control of the state board of higher education. During the next three  
19           succeeding years, the amount of the opportunity grant provided during the  
20           first year increases in accordance with the consumer price index.
- 21           4. Beginning with the 2017-18 school year:
- 22           a. If a student who is eligible for an opportunity grant enrolls in an institution of  
23           higher education under the control of the state board of higher education, for  
24           the first year the student is eligible to receive an opportunity grant in the  
25           amount of eighty percent of the tuition charged at the student's institution.  
26           During the next three succeeding years, the amount of the opportunity grant  
27           provided during the first year increases in accordance with the consumer price  
28           index.
- 29           b. If the student enrolls in a private institution of higher education, for the first  
30           year the student is entitled to receive eighty percent of the statewide average  
31           tuition charged at four-year institutions of higher education under the control

1                   of the state board of higher education. During the next three succeeding  
2                   years, the amount of the opportunity grant provided during the first year  
3                   increases in accordance with the consumer price index.

4           5. Beginning with the 2018-19 school year:

5           a. If a student who is eligible for an opportunity grant enrolls in an institution of  
6           higher education under the control of the state board of higher education, for  
7           the first year the student is eligible to receive an opportunity grant in the  
8           amount of eighty-five percent of the tuition charged at the student's institution.  
9           During the next three succeeding years, the amount of the opportunity grant  
10           provided during the first year increases in accordance with the consumer price  
11           index.

12           b. If the student enrolls in a private institution of higher education, for the first  
13           year the student is entitled to receive eighty-five percent of the statewide  
14           average tuition charged at four-year institutions of higher education under the  
15           control of the state board of higher education. During the next three  
16           succeeding years, the amount of the opportunity grant provided during the  
17           first year increases in accordance with the consumer price index.

18           6. Beginning with the 2019-20 school year, and each year thereafter:

19           a. If a student who is eligible for an opportunity grant enrolls in an institution of  
20           higher education under the control of the state board of higher education, for  
21           the first year the student is eligible to receive an opportunity grant in the full  
22           amount of tuition charged at the student's institution. During the next three  
23           succeeding years, the amount of the opportunity grant provided during the  
24           first year increases in accordance with the consumer price index.

25           b. If the student enrolls in a private institution of higher education, for the first  
26           year the student is entitled to receive the statewide average tuition charged at  
27           four-year institutions of higher education under the control of the state board  
28           of higher education. During the next three succeeding years, the amount of  
29           the opportunity grant provided during the first year increases in accordance  
30           with the consumer price index.

1           **SECTION 3.** A new section to chapter 15-62.2 of the North Dakota Century Code is  
2 created and enacted as follows:

3           **Opportunity grant - Credit.** The opportunity grant is payable by the state board of  
4 higher education to an accredited institution in which the student is enrolled, during each year  
5 the student is enrolled, until the student completes the requirements of the associate or  
6 baccalaureate program, provided that a student for an associate program may not receive a  
7 grant for more than two consecutive years and that a student of a baccalaureate program may  
8 not receive a grant for more than four consecutive years. The grant must be credited toward  
9 any tuition charges due and payable by the student, after accounting for all other grants,  
10 scholarships, third-party funds, waivers, and other gift aid. If the grant exceeds the amount  
11 owed by the student, the excess funds must be returned to the program and the student has no  
12 further right to the funds. No grants are payable after the 2030-31 school year.

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

15           **Annual reports.** The state board of higher education shall provide an annual report  
16 regarding the opportunity grants to the legislative council. At the same time the superintendent  
17 of public instruction shall provide an annual report regarding student demographics and student  
18 achievement, as evidenced by cumulative grade point averages and high school course  
19 selections.

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

22           **North Dakota merit award trust fund - Creation - Continuing appropriation.** There  
23 is created in the state treasury a special fund known as the North Dakota merit award trust  
24 fund. The fund consists of any moneys appropriated by the legislative assembly, together with  
25 any gifts or grants received from any public or private sources. The state board of higher  
26 education shall administer the fund. The state investment board shall invest moneys in the fund  
27 in accordance with chapter 21-10, and any income earned must be deposited into the trust  
28 fund. All interest and income from the trust fund is available to the state board of higher  
29 education for the purpose of providing North Dakota opportunity grants under this Act. The  
30 state board of higher education shall return any unexpended amount in the trust fund on  
31 June 30, 2031, to the general fund in the state treasury.

1           **SECTION 6. TRANSFER.** The director of the office of management and budget shall  
2 transfer the sum of \$25,000,000 from the general fund in the state treasury to the North Dakota  
3 merit award trust fund on July 1, 2009.

4           **SECTION 7. LEGISLATIVE INTENT - FUTURE SUPPORT AND TRANSFERS.** It is  
5 the intent of the legislative assembly that, beginning with the 2011-13 biennium, the North  
6 Dakota merit award trust fund be supported in the amount of \$40,000,000 per biennium,  
7 \$15,000,000 of that amount from the accumulated and undivided profits of the Bank of North  
8 Dakota, \$10,000,000 from the oil extraction trust fund, and the remainder from the student loan  
9 trust fund and the lottery operating fund, in the proportions determined by the legislative  
10 assembly.

11           **SECTION 8. LEGISLATIVE INTENT - ACCESS TO APPROPRIATE EDUCATION.** It  
12 is the intent of the legislative assembly that the state board of public school education, the state  
13 board of higher education, the education standards and practices board, and the state board for  
14 career and technical education continue their joint efforts to establish high standards and  
15 expectations of students at all levels of the education continuum and that the boards do all  
16 things necessary and proper to ensure that the students of this state have access to  
17 challenging curricula, highly qualified teachers and instructors, and an education system that  
18 allows them to meet the promise reflected in their abilities and the demands of a twenty-first  
19 century global economy.

20           **SECTION 9. PROMISSORY NOTE REQUIREMENTS - CONDITIONS -**  
21 **PREPARATION AND PRESENTATION OF LEGISLATION.**

- 22           1. During the 2009-10 interim, the state board of higher education shall collaborate  
23 with the Bank of North Dakota to determine the statutory provisions that need to be  
24 enacted to:
- 25           a. Require that before any payment may be made on behalf of a student under  
26 this Act, the student must execute a promissory note; and
- 27           b. Establish the conditions upon which a promissory note executed by a student  
28 under this Act must be based.
- 29           2. The state board of higher education and the Bank of North Dakota shall consider  
30 all issues pertinent to the terms and conditions of repayment, including relocation  
31 to accept employment, relocation for graduate school attendance, full-time

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- 1 volunteer service, missionary or other religious commitments, military  
2 commitments, marital and family commitments, health concerns, and the priority of  
3 other debts.
- 4 3. The state board of higher education and the Bank of North Dakota shall prepare  
5 the proposed legislation required by this section and present the legislation to the  
6 sixty-second legislative assembly.