

Sixty-sixth  
Legislative Assembly  
of North Dakota

ENGROSSED SENATE BILL NO. 2039

Introduced by

Legislative Management

(Taxation Committee)

1 A BILL ~~for an Act to create and enact a new section to chapter 15-10 of the North Dakota~~  
2 ~~Century Code, relating to the development and implementation of a skilled workforce~~  
3 ~~scholarship program; to provide a continuing appropriation; and to provide for a transfer.~~ for an  
4 Act to create and enact two new sections to chapter 6-09 of the North Dakota Century Code,  
5 relating to the development and implementation of a skilled workforce student loan repayment  
6 program; to provide a continuing appropriation; to provide for a transfer; to provide an expiration  
7 date; and to declare an emergency.

8 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

9 ~~SECTION 1. A new section to chapter 15-10 of the North Dakota Century Code is created~~  
10 ~~and enacted as follows:~~

11 ~~Skilled workforce scholarship program - Skilled workforce scholarship fund - State~~  
12 ~~board of higher education - Continuing appropriation.~~

13 ~~1. There is created in the state treasury the skilled workforce scholarship fund. The fund~~  
14 ~~consists of moneys transferred into the fund by the legislative assembly, matching~~  
15 ~~funds received, and scholarship repayments. Moneys in the fund are appropriated to~~  
16 ~~the state board of higher education on a continuing basis for the purpose of providing~~  
17 ~~grants to institutions of higher education related to skilled workforce scholarships.~~  
18 ~~Institutions of higher education include institutions under the control of the state board~~  
19 ~~of higher education, North Dakota nonpublic accredited institutions of higher~~  
20 ~~education, and tribally controlled community colleges.~~

21 ~~2. The state board of higher education shall develop policies to administer a skilled~~  
22 ~~workforce scholarship program in cooperation with the Bank of North Dakota and the~~  
23 ~~workforce education advisory council. The purpose of the skilled workforce scholarship~~

1 ~~program is to attract and retain students for professional or technical skills in high-~~  
2 ~~demand in this state.~~

3 ~~3. The state board of higher education and the workforce education advisory council~~  
4 ~~shall compile a list of qualifying educational programs by August first of each year.~~  
5 ~~Qualifying educational programs must be able to be completed within four semesters~~  
6 ~~or eight quarters and pertain to the technical skills in high demand in this state.~~

7 ~~4. Individuals enrolled in a qualifying educational program in this state may apply for a~~  
8 ~~scholarship under this section. Scholarships are limited to the amount charged each~~  
9 ~~quarter or semester by the educational institution for the tuition, fees, books, and~~  
10 ~~supplies required for the qualifying educational program. The scholarships may~~  
11 ~~supplement any other scholarship or grant financial aid received by a student to assist~~  
12 ~~the student with the costs of the qualifying educational program.~~

13 ~~5. To be eligible for a scholarship under this section, a student shall maintain a 2.5~~  
14 ~~cumulative grade point average, based on a 4.0 grading system. A student may not~~  
15 ~~receive scholarships under this section for more than the equivalent of four semesters~~  
16 ~~of full-time enrollment or eight quarters of full-time enrollment. Upon completion of a~~  
17 ~~qualifying educational program, a student who received a scholarship under this~~  
18 ~~section shall remain and work in this state for a minimum of three years.~~

19 ~~6. An individual shall repay the scholarship pursuant to the terms in the individual's~~  
20 ~~scholarship award agreement if the individual fails to maintain a 2.5 cumulative grade~~  
21 ~~point average while enrolled, discontinues attendance before the completion of any~~  
22 ~~semester or quarter for which a scholarship has been received, or fails to remain and~~  
23 ~~work in this state for at least three years following degree or certificate completion.~~

24 ~~7. Each quarter or semester, the state board of higher education shall distribute grants to~~  
25 ~~institutions of higher education to provide the amounts necessary for the scholarships~~  
26 ~~awarded to the students enrolled in each institution. The state board of higher~~  
27 ~~education may distribute grants only to the extent that the private sector has provided~~  
28 ~~one dollar of matching funds for each dollar of funding provided by the state.~~

29 ~~**SECTION 2. TRANSFER - BANK OF NORTH DAKOTA - SKILLED WORKFORCE**~~

30 ~~**SCHOLARSHIP FUND.** The Bank of North Dakota shall transfer the sum of \$10,000,000, or so~~  
31 ~~much of the sum as may be necessary, from the Bank's current earnings and undivided profits~~

1 ~~to the skilled workforce scholarship fund during the biennium beginning July 1, 2019, and~~  
2 ~~ending June 30, 2021.~~

3 **SECTION 1.** A new section to chapter 6-09 of the North Dakota Century Code is created  
4 and enacted as follows:

5 **Skilled workforce student loan repayment program - Development and**  
6 **implementation.**

- 7 1. The Bank of North Dakota shall adopt rules to develop, implement, promote, and  
8 administer a skilled workforce student loan repayment program in conjunction with the  
9 North Dakota university system and the North Dakota workforce development council  
10 with the intent of attracting and retaining individuals for professional or technical skills  
11 in high demand in this state.
- 12 2. The North Dakota workforce development council in cooperation with job service North  
13 Dakota shall use available labor market information to determine annually the eligible  
14 high-demand and emerging occupations in this state.
- 15 3. The North Dakota workforce development council shall compile a list of qualifying  
16 educational programs by April first of each year. Qualifying educational programs may  
17 include degree or certificate programs.
- 18 4. Graduates of qualifying educational programs from institutions or entities in this state  
19 may apply for the skilled workforce student loan repayment program. To be eligible to  
20 receive student loan repayment grants under the program, the applicant:
- 21 a. Must have successfully completed a qualifying educational program from a Bank  
22 of North Dakota-approved institution or entity after January 1, 2019;
- 23 b. Must have a student loan with the Bank of North Dakota or other participating  
24 lender;
- 25 c. Following completion of a qualifying educational program must remain and work  
26 in this state in an eligible high-demand or emerging occupation; and
- 27 d. Must have met and shall continue to meet any requirements established by rule.
- 28 5. The Bank of North Dakota shall adopt rules to ensure compliance with residency and  
29 occupation requirements after completion of the qualifying educational program.
- 30 6. The Bank of North Dakota shall distribute student loan repayment grants from the  
31 skilled workforce student loan repayment program fund directly to the Bank of North

Dakota or other participating lender to repay outstanding student loan principal balances for eligible applicants. The maximum annual student loan repayment grant amount for which an applicant may qualify is five thousand six hundred sixty-seven dollars, or one-third of the applicant's outstanding student loan principal balance, whichever is less. The maximum total student loan repayment grant amount for which any applicant may qualify is seventeen thousand dollars.

7. If an individual is receiving loan forgiveness under any other provision, the individual may not receive a student loan repayment grant under this section during the same application year.

8. The skilled workforce student loan repayment program must be a joint public and private effort. The Bank of North Dakota shall provide one dollar of funding for each one dollar of funding raised from the private sector.

9. The North Dakota university system in cooperation with the North Dakota workforce development council shall seek private matching funds for the skilled workforce student loan repayment program. Any matching funds received must be deposited in the skilled workforce student loan repayment program fund.

**SECTION 2.** A new section to chapter 6-09 of the North Dakota Century Code is created and enacted as follows:

**Skilled workforce student loan repayment program fund established - Continuing appropriation.**

The skilled workforce student loan repayment program fund is established as a revolving fund. All moneys deposited or transferred into the fund and interest earned on moneys in the fund are appropriated for the purposes of section 1 of this Act.

**SECTION 3. TRANSFER - BANK OF NORTH DAKOTA - SKILLED WORKFORCE STUDENT LOAN REPAYMENT PROGRAM FUND.** The Bank of North Dakota shall transfer the sum of \$5,000,000, or so much of the sum as may be necessary, from the Bank's current earnings and undivided profits to the skilled workforce student loan repayment program fund during the period beginning with the effective date of this Act, and ending June 30, 2021.

**SECTION 4. EXPIRATION DATE.** Section 2 of this Act is effective through June 30, 2021, and after that date is ineffective.

**SECTION 5. EMERGENCY.** This Act is declared to be an emergency measure.