2019 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1171

2019 HOUSE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee
Peace Garden Room, State Capitol

HB 1171
1/16/2019
30881

☐ Subcommittee
☐ Conference Committee

Committee Clerk: Ellen LeTang

Explanation or reason for introduction of bill/resolution:

Development & implementation of a skilled workforce student grant program, provide continuing appropriation, transfer & expiration date & declare an emergency.

Minutes: Attachment 1, 2, 3, 4, 5, 6

Chairman Keiser: Opens the hearing on HB 1171.

1:30

Rep J Blum~District 42, Grand Forks: Introduces HB 1171. Attachment 1.

5:25

Rep Laning: Is this restricted to ND students only?

Rep Blum: Intent is also to attract students from out of state but they have to attend a school in ND.

Rep Laning: The fee is 10 million dollars, is that a onetime transfer?

Rep Blum: I would defer that question to the UND representative.

Vice Chairman Lefor: Has there been conversation between the entities & the bill sponsors?

Rep Blum: Yes, to my understanding.

Rep Mitskog~District 25, Whapeton: We can offer all tax incentives to attract business in the state. If we don't have a skilled workforce & workers, we can't compete. We are competing against South Dakota & Minnesota programs in which they are being offered free tuition but with the stipulation that they have to work in the state.

Our greatest asset is our youth, if they go out of state to get training, we won't give them back. I would urge support for this bill.

Rep Kasper: In our constitution a gifting clause, which does not allow gifting to a person.

Rep Mitskog: I have not looked into that.

Chairman Keiser: Can students in Wahpeton from SD or Minnesota get the grant from their states as long as they return to their state & work in their state?

Rep Mitskog: They have to attend in their state. A lot of them have stipulations that they stay in the state for a number of years.

Matt Gardner~Representing the Greater North Dakota Chamber: Attachment 2.

15:10

Rep M Nelson: You have mentioned that there are 20 some states with programs similar this, have they seen a successful result?

Matt Gardner: I don't have the data for that.

Rep M Nelson: We are currently waiving tuition to out of state students. Why are the waivers we are giving to out of state students not being effective?

Matt Gardner: I don't have the information for that.

Chairman Keiser: You tell us that the problem is that there is a tremendous need. Then you say, here our solution & put a sunset clause on it. That doesn't give us much confidence. This is either a solution or an experiment. Shouldn't we take the sunset clause off. Why was the sunset clause put on there?

Matt Gardner: I guess in 2 years to see if it works.

Chairman Keiser: We can always modify that.

Chairman Keiser: If we have this need, why don't we have a more direct solution. Why don't we recruit them now & go out & get them?

Matt Gardner: I feel that we are already doing that.

Chairman Keiser: Not with state dollars.

Matt Gardner: There are select employers out there able to do things like that & colleges with smaller programs.

Chairman Keiser: I do see this as part of the solution but this doesn't solve it right now.

Rep Richter: Did you work with K-12 & involved?

Gardner: We didn't work with them directly.

Rep Richter: The bulk of the kids that you are looking for are coming out of high school. They are making decision on their careers now. If you are sunsetting it in 2021, a lot of those kids that you want in this program, haven't been recruited. When they graduate, won't you be looking at 2 or 3 years down the road where you have enough kids going into the program to take advantage of this?

Matt Gardner: You are correct. I think some of this is being done already but this is one piece of the puzzle.

Rep Kasper: Were you & other businesses organizations involved in the drafting of the bill or was this something you saw after the fact?

Gardner: Yes, we were involved in the drafting.

Rep Kasper: Page 1, lines 15-17, does that mean every year those qualifying jobs openings could change?

Matt Gardner: Correct.

Rep Kasper: Therefore, what happens if a student is recruited in job classification A & starts their career pursuing it. Down the road, it's taken off the list. What happens to the money the student received & is no longer qualifying? What happens to the student who is counting on the money coming in? How do you solve that issue?

Matt Gardner: They would be allowed to continue down that path.

Rep Kasper: The bill doesn't say that.

Rep Kasper: Page 2, under item 6, line 8, how does the Bank of ND get involved in determining the progress? Shouldn't that be the institution that the student is going to determine adequate progress or do you assume that the information will be given to the Bank of ND?

MattGardner: The Bank of ND can answer that question better than I can. The process that the Bank of ND follows for other scholarships they administer, that another piece they would monitor.

Rep Kasper: I think this bill needs some work on definitions.

Rep Ruby: Their eligibility requirement is that they work in this state for 3 years. This is completely unsecured. What do you do when take off?

Matt Gardner: There are claw backs they do administratively.

Chairman Keiser: There is no provision in the bill that give them any authority.

Rep Bosch: Are there any financial limitations to the bill?

Gardner: There is not.

Rep Richter: Does that apply to the truck driver's program?

Gardner: That's our goal.

Rep Richter: Would the truck driving school have to offer college credit attached to the program to be eligible?

Matt Gardner: I feel I can't answer that question.

Rep Bosch: Is there a list already for the high demand jobs?

Gardner: Job Service provide a list.

Bosch: Can we get that information?

Gardner: Yes.

Rep Schauer: The matching funds, how does that work?

Matt Gardner: In this bill, there are no matching funds in this bill.

Chairman Keiser: Does the dollars go to the student or the institution?

Gardner: It goes to the institution. I have testimony from Baker Boy.

Guy Moos~President-Baker Boy, Inc: Attachment 3. Unable to attend but provided testimony.

Matt Marshall~EDNE: Attachment 4.

34:45

Rep Richter: Do you know if members of your organization that are involve in job shadowing apprenticeship programs. Is that something that is wide spread out?

Matt Marshall: Yes, in West Fargo specifically.

Rep Richter: Are those programs helping bringing kids into those occupations?

Matt Marshall: Yes, to a degree, there is no silver bullet solving our work force issue, this is one tool in the tool box but it's. We need to educate the parents as it is students because parents have pushed students into 4-year degrees. So, we are seeing some gaps. It's helped on both accounts.

Rep Richter: Advanced manufacturing, are there programs at community colleges in ND that provide degrees that leads towards occupations.

Matt Marshall: Right now there are employers that provide programs.

Vice Chairman Lefor: When you ask for funding, I would ask, what are we investing in? I need to know the return.

Matt Marshall: I would refer to Washington state's program; they have an 88% retention of their students. I can't give you a quantitative response but rely on the Bank of ND to give you that.

Rep Kasper: The 10 million dollars, we are only dealing with a little over 500 people that will be helped with the program. Are we looking at a pilot program or is it a start?

Matt Marshall: I think that the sunset clause could be eliminated. I do agree it is a pilot program, but I do believe it's a long term approach.

Rep Kasper: What have you done to garner more money from the businesses instead of always asking the legislature for money?

Matt Marshall: I do know some business have. The need is today.

Rep Schauer: Recruiting for the building trades, can you explain.

Matt Marshall: This is an industry & skill career that is being forgotten. We see a huge need for that.

Rep Schauer: If we don't invest now, what is going to happen to the businesses & the future coming into our area producing revenue, state dollars?

Matt Marshall: Long term if we don't invest, we are bleak. Any other business from out of state looking to our state, ask about the workforce skill. If other states are, that sells to the others businesses from out of state & in a fight for that talent right now.

Rep Richter: I hear 2 different descriptions, workforce training or career training. Which is it?

Matt Marshall: Both, it depends on what industry is being talked about.

Rep Richter: This is really designed for the career education & then the workforce training comes after you get people committed to the career field.

Matt Marshall: Yes & no, it depends on the type of field being targeted.

Rep M Nelson: We keep cutting high ed & we see a drop in enrollment. There is no way they are going to put money into building programs. The we think somehow we come in here with a scholarship that is controlled by the system as to where they can go. If we are going to provide scholarships, wouldn't it make more sense just to provide it to ND students & we don't care where you go. If you come back it's a grant & if you go, it's a loan. Wouldn't that do more in filling these slots?

Matt Marshall: We need a recruiting tool; how do you define a ND student. The vast majority, I believe, will be a ND student. We just don't know what the high field demands in the future. Our intent is to fill the high demand.

Rep M Nelson: I'm thinking that the shortage isn't as extreme as implied. What wrong in our information & business infrastructure that this isn't happening?

Matt Marshall: I don't think I can answer that question.

Rep C Johnson: Would there be an appetite for a tax credit for businesses?

Matt Marshall: I believe the grant scholarship program would be better. The target is workers; it should stay with the workers.

Chairman Keiser: What this bill does is picks winners & losers. Winners are defined that you have to have enough of them that need to be trained in whatever area. Someone comes up with this arbitrary list based on some data. The university system puts together a program to do that thing. We have more workforce development programs that we have given to universities to train workforce.

One thing we are going to ask for is a list of all programs that do exist, how many dollars are in them & how successful have they been. We don't need another one. My company will be a loser because they will never be selected. The university can't put together a program to do it. I do really have a need & the need is greater than the welder. That a problem.

I don't want to say this is another subsidy to the university system, but it is. If the needs there, they should be doing it. Is this the right strategy?

John Richman~Serves as President of the NDSCS: Attachment 5

1:11:30

Rep Kasper: Page 2, line 16, the student repayment, has you developed a repayment program? The young students don't know what they career they want to do & they get recruited to a position which sounds great, free money & all of a sudden they change their path. What is going to happen to that student?

John Richman: I haven't worked that process out. The Bank of ND will deal with that. The Z generation generally knows what they want to do.

Rep Richter: When students leave, they don't stay in ND. Is the university system willing to bring programs to western part of the state to Williston State College, so they don't have to travel to the east?

John Richman: Yes, we have come together & collaborated.

Rep Schauer: Can you give us an idea of what private industry is doing on the recruiting side?

John Richman: Explains the college perspective. Private sector, some are doing nothing & some companies have their own recruiters.

Rep Schauer: Talk a little bit how the investments that private companies in your university.

John Richman: We have 6.7 million today that sits in Wahepton and or Fargo. That is entrusted equipment & it's not owned by us or you as a state.

Rep Louser: How much does it cost to send my son to Wahepton for two years?

John Richman: What program area?

Rep Louser: Tuition, room & board.

John Richman: About $12,000.

Rep Louser: How do we determine the last dollar?

John Richman: That is a process that we need to work through. It varies & we do it on a daily basis in our financial office.

Rep Richter: A student that already has scholarships, can they use the money for tools & equipment?

John Richman: My understanding is for tuition & fees.

Rep Richter: Are you aware of the efforts of CTE program?

John Richman: The CTE bill, there is the career academy grant matching program. That will help with what you are speaking to & that flows through CTE.

Rep Richter: A specialize program, are you working on that?

John Richman: Yes.

Rep M Nelson: Wouldn't it work better if this was a loan that turned into a grant?

John Richman: It could work but this would work better. We think it's onerous for the student hold them accountable for what they are doing in the classroom.

Rep Bosch: The grant doesn't really address the financial need of the student who may not need the grant.

John Richman: Yes, that is correct, provided they are in the high demand field. It also helps the middle class.

Chairman Keiser: Why are we not requiring them to perform at higher level than 2.5?

John Richman: We could certainly raise that if the committee wants it.

Deana Wiese~Executive Director of Technology Counsel of ND filling in for **Mason Sisk~Assistant Executive Director of Technology Council of ND:** Attachment 6.

1:35:05

Rep Schauer: Can you talk about the open computing jobs. Is this the wave of the future?

Deana Wiese: The average salary is $62,00, yes, it's the jobs of the future.

Rep Richter: Is your industry addressing the teacher shortage in that career group.

Deana Wiese: Yes.

Chairman Keiser: Anyone else here to testify in support of HB 1171, opposition, neutral? Closes the hearing.

Assigns a subcommittee.

2019 HOUSE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee
Peace Garden Room, State Capitol

HB 1171
1/21/2019
31158

☒ Subcommittee
☐ Conference Committee

Committee Clerk: Ellen LeTang

Explanation or reason for introduction of bill/resolution:

Development and implementation of a skilled workforce student grant program; to provide a continuing appropriation; to provide for a transfer; to provide an expiration date; and to declare an emergency.

Minutes:

Chairman Bosch: Opens the subcommittee on HB 1171.

Attendance: Rep Bosch, Rep M Nelson, Rep Richter, Rep O'Brien

Areas to do better.

- Grade point average. They decided on 2.75.
- Who are the entities running the program?
    - ~ We should support a signing on incentive program.
    - ~ Take money from the check for start up to meet expenses.
- Drive graduates to jobs instead to schools.
- Take state & private money.
- The amount of money spread out.
- Filling the job need to work & stay here.
- How many students are taking advantage?
- Rep Bosch will set up a comparison. Job incentive grant & they will stay & work here.

- Rep Bosch & Rep O'Brien will go to legislative counsel.
- ND doesn’t have tech schools compared to other states.

Going to change the intent of the bill to a scholarship to an incentive.

2019 HOUSE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee
Peace Garden Room, State Capitol

HB 1171
1/23/2019
31335

☐ Subcommittee
☐ Conference Committee

Committee Clerk: Ellen LeTang

Explanation or reason for introduction of bill/resolution:

Development and implementation of a skilled workforce student grant program; to provide a continuing appropriation; to provide for a transfer; to provide an expiration date; and to declare an emergency.

Minutes:

Chairman Keiser: Opens the hearing on HB 1171.

1:35

Rep Bosch: Goes over the proposed amendment. We did three things; changed the GPA to 2.75, required a 1-1 employer match & added an opportunity for 2019 & after to graduates an ability to qualify for the program.

3:00

Chairman Keiser: I like all of your concepts. Subsection 4, with this approach does the 17,000 means that 8,500 comes from the private & 8,500 from this grant? In combination, they are 17,000.

Rep Bosch: Correct.

Todd Steinwand~Chief Business Development Officer for the Bank of North Dakota: The proposed amendments, we are fine with that. The retroactive, we can work through that.

4:20.

Some comments. Page 2, number 6, line b, we are not in a position to determine whether they are making progress, that should be relied on by the institution of higher education. That is standard for any other type of financial aid. We could take a stab at those amendments or however you want to handle it.

Chairman Keiser: Why do we need it; you have to maintain a 2.75?

Todd Steinwand: Yes.

Chairman Keiser: You can have a maximum of $17,000.

Todd Steinwand: Yes.

Chairman Keiser: That's over two years.

Todd Steinwand: Yes.

Chairman Keiser: What is it if they are a working person & it takes them over five years? Why shouldn't they get the money?

Todd Steinwand: The reason that it was put in there, you don't want a person to take a long, long time. We want the full time students to move forward to a progress & finish the degree.

Chairman Keiser: I understand that, there are people with a variety reasons who cannot take more than 4 or 6 hours a semester. They are knock out because we don't think they are doing it fast enough.

Todd Steinwand: We will administer it however you want it to do. We were saying that we weren't qualified to make that decision.

Chairman Keiser: With the retroactive that the subcommittee put in, somebody may need 6 hours. We are imposing a traditional model on a program that should be flexible.

Rep Bosch: You make perfect sense & we need to take that out of there.

Todd Steinwand: Page 2, line 12, number 7, there are some privacy issues & there are some other programs that we have developed programs where we would send out to employers that they are working.

Chairman Keiser: They call the employer, isn't that an easier way to do it.

Todd Steinwand: Maybe there could be a more flexible way.

Chairman Keiser: You tell us what you want.

Rep Bosch: You put some language in there that gives you some flexibility.

Rep Kasper: Have you asked the Attorney General whether this violates the gift clause of the ND constitution?

Todd Steinwand: We have not.

Rep Kasper: Lines 10 & 15, employment on high demand & emerging occupation. Can you tell me how that is going to be determined?

Todd Steinwand: That will be determined by a group the workforce development council, ND university systems & ND workforce council.

Rep Kasper: Really it's wide open, it could be thing.

Todd Steinwand: Yes.

Chairman Keiser: Given that we are going to have a one & one with the private sector, why wouldn't we reduce appropriation? What we are really doing is giving 20 million to the program?

Todd Steinwand: That was a policy decision from the bank's standpoint. The bank's profit would be 10 million & 10 million from the private sector for a total of 20 million.

Chairman Keiser: Do we have a match requirement in this bill?

Todd Steinwand: I do believe that the amendments do state that.

Chairman Keiser: That wasn't in the beginning.

Rep Bosch: I do believe that the match was in the senate bill.

Chairman Keiser: It's something for all of you to think about. If you want this bill to sell, five billion is better than 10 with appropriations.

Rep Richter: Student does everything that they are supposed to with the company, they do really well & transfers them out of state after one year with the same company, do they pay this back?

Todd Steinwand: Yes, they would be required to pay it back.

Rep Schauer: Is there a reason for staying with the 10 million mark after the one to one change?

Todd Steinwand: You as a committee decides to determine how much profits are allocated.

Rep Bosch: We just talked about it. It didn't come up in the subcommittee.

Chairman Keiser: What are the wishes of the committee?

Vice Chairman Lefor: I agree with Chairman Keiser, if we leave it at 10 million, that makes a tougher sell & maybe doesn't pass at all. I would just cut it down to 5 million with a 5 million match, so there is an opportunity for it to actually happen. Leaving it at 10 million, appropriations just might say no.

Vice Chairman Lefor: Move a motion to change the wording from 10 million to 5 million.

Rep Schauer: Second.

Chairman Keiser: Further discussion?

Voice Vote ~ motion carried.

Chairman Keiser: Further consideration?

Rep Bosch: Moves to strike the language on page 2, lines 8-9.

Rep Schauer: Second.

Chairman Keiser: Further discussion?

Voice Vote ~ motion carried.

Chairman Keiser: The other issue is item number 7.

Rep Bosch: I would request that Todd put the language in.

Chairman Keiser: That leave the amendment that was distributed regarding the one & one match, 2.75 GPA & opportunity for 2019 & after to qualify for the program.

Rep Bosch: Moves to adopt the one & one match, 2.75 GPA & opportunity for 2019 & after to qualify for the program.

Rep Adams: Second.

Voice Vote ~ motion carried.

Chairman Keiser: We now have a bill with 3 amendments. Closes the hearing on HB 1171.

2019 HOUSE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee
Peace Garden Room, State Capitol

HB 1171
1/30/2019
31845

☐ Subcommittee
☐ Conference Committee

Committee Clerk: Ellen LeTang

Explanation or reason for introduction of bill/resolution:

Development and implementation of a skilled workforce student grant program; to provide a continuing appropriation; to provide for a transfer; to provide an expiration date; and to declare an emergency.

Minutes: Attachment 1,

Chairman Keiser: Opens the hearing on HB 1171.

Rep Bosch: Attachment 1. Goes over the amendment. Things we did was change the grade point average, made a provision so that a student could be coming off a program & still qualify & changed from a payment to a learning institution but rather it converts to a loan. It's easier for the bank to keep track. Lastly, it would qualify with loans taken out at other institution other than the Bank of ND & changed the amount from 10 million to 5 million with matching provision.

Rep Adams: Does it still say that if they stay in the state for three years?

Rep Bosch: It's in the other part of the bill.

Rep D Ruby: What do you mean from a loan?

Rep Bosch: The money established a loan right away in an account. They will get paid back after they have met all the requirements. There is a risk is collecting them back.

Chairman Keiser: We converted to a loan on the onset. Verify with ND the employers. We are not going to give out money & then have to look for them.

Rep Laning: The student received this loan eligible, are they required to pay interest on the loan or is that forgiven after three years?

Rep Bosch: The interest doesn't start until 6 months after they graduate.

Rep Richter: I like this system & the mechanism is already in place.

Vice Chairman Lefor: I like the changes to the bill with the amendment but the concern I have is that the 5 million is the right figure or should it be 2 ½ & 2 1/2. I would rather have it palatable to the appropriations committee rather than lose the bill. I would like to see the feeling on that.

Rep Bosch: We started with 10, so we've have it down to 5 already. My feeling we should move forward with what we have.

Chairman Keiser: Doesn't mean that we will spend the 5. If it gets to 5, it's a loan & will get repaid unless they do what was designed to do is to serve a need for workforce.

Rep P Anderson: I would hope we would stay at 5. This is addressing workforce issues & I would hope that the appropriations will approve it.

Chairman Keiser: It's now designed to do what it's supposed to do.

Vice Chairman Lefor: Moves amendment 19.0338.04003.

Rep Laning: Second.

Voice vote ~ motion passed.

Chairman Keiser: The earlier version amendment, which is not under consideration. We have HB 1171 before us, what are your wishes.

Vice Chairman Lefor: Move a Do Pass as Amended.

Rep Bosch: Second.

Roll call was taken on HB 1171 for a Do Pass as Amended with 11 yes, 1 no, 2 absent & Rep Bosch is the carrier.

DA 1/30/19
1 of 2

19.0338.04003
Title.05000

Prepared by the Legislative Council staff for
Representative Bosch
January 29, 2019

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1171

Page 1, line 3, replace "grant" with "loan repayment"

Page 1, line 8, replace "**grant**" with "**loan repayment**"

Page 1, line 10, replace "grant" with "loan repayment"

Page 1, line 13, remove "The grant amount must convert to a student loan if the"

Page 1, remove line 14

Page 1, line 21, remove "An eligible individual may receive a grant in an amount up to eight thousand five"

Page 1, remove lines 22 through 24

Page 2, replace lines 1 through 17 with "Graduates of qualifying educational programs from institutions or entities in this state may apply for the skilled workforce student loan repayment program. To be eligible to receive student loan repayment grants under the program, the applicant:

a. Must have successfully completed a qualifying educational program from a Bank of North Dakota-approved institution or entity after January 1, 2019;

b. Must have maintained at least a 2.75 grade point average, based on a 4.0 grading system;

c. Must have a student loan with the Bank of North Dakota or other participating lender;

d. Following completion of a qualifying educational program must remain and work in this state in an eligible high-demand or emerging occupation; and

e. Must have met and shall continue to meet any requirements established by rule.

5. The Bank of North Dakota shall adopt rules to ensure compliance with residency and occupation requirements after completion of the qualifying educational program.

6. The Bank of North Dakota shall distribute student loan repayment grants from the 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.

DP 1/30/19
2 of 2

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."

Page 2, line 20, replace "grant" with "loan repayment"

Page 2, line 21, replace "grant" with "loan repayment"

Page 2, line 24, replace "**grant**" with "**loan repayment**"

Page 2, line 26, replace "grant" with "loan repayment"

Page 2, line 27, replace the first underscored comma with "and"

Page 2, line 27, remove ", and loan"

Page 2, line 28, remove "repayments to the fund"

Page 2, line 30, replace "**GRANT**" with "**LOAN REPAYMENT PROGRAM**"

Page 2, line 30, replace "$10,000,000" with "$5,000,000"

Page 3, line 1, replace "grant" with "loan repayment program"

Renumber accordingly

Date: Jan 23, 2019

Roll Call Vote #: 1

2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 1171

House Industry, Business and Labor **Committee**

☐ **Subcommittee**

Amendment LC# or Description: page 2, line 30, from 10 million to 5 million

Recommendation
- ☒ Adopt Amendment
- ☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
- ☐ As Amended ☐ Rerefer to Appropriations
- ☐ Place on Consent Calendar

Other Actions
- ☐ Reconsider
- ☐ _____

Motion Made by Rep Lefor **Seconded By** Rep Schauer

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser			Rep O'Brien		
Vice Chairman Lefor			Rep Richter		
Rep Bosch			Rep Ruby		
Rep C Johnson			Rep Schauer		
Rep Kasper			Rep Adams		
Rep Laning			Rep P Anderson		
Rep Louser			Rep M Nelson		

Total (Yes) _____ No _____

Absent _____

Floor Assignment Voice vote - motion carried

Date: Jan 23, 2019

Roll Call Vote #: 2

2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 1171

House Industry, Business and Labor **Committee**

☐ **Subcommittee**

Amendment LC# or Description: strike, page 2, lines 8-9

Recommendation

☒ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions ☐ Reconsider ☐ _____

Motion Made by Rep Bosch **Seconded By** Rep Schauer

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser			Rep O'Brien		
Vice Chairman Lefor			Rep Richter		
Rep Bosch			Rep Ruby		
Rep C Johnson			Rep Schauer		
Rep Kasper			Rep Adams		
Rep Laning			Rep P Anderson		
Rep Louser			Rep M Nelson		

Total (Yes) _____ No _____

Absent _____

Floor Assignment Voice vote - motion carried

Date: Jan 23, 2019

Roll Call Vote #: 3

2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 1171

House Industry, Business and Labor **Committee**

☐ **Subcommittee**

Amendment LC# or Description: 1+1 match, 2.75 GPA + opportunity for 2019 & after to qualify for the program

Recommendation

☒ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions ☐ Reconsider ☐ _____

Motion Made by Rep Bosch **Seconded By** Rep Adams

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser			Rep O'Brien		
Vice Chairman Lefor			Rep Richter		
Rep Bosch			Rep Ruby		
Rep C Johnson			Rep Schauer		
Rep Kasper			Rep Adams		
Rep Laning			Rep P Anderson		
Rep Louser			Rep M Nelson		

Total (Yes) _____ No _____

Absent _____

Floor Assignment voice vote - motion carried

Date: Jan 30, 2019

Roll Call Vote #: 1

2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 1171

House Industry, Business and Labor **Committee**

☐ **Subcommittee**

Amendment LC# or Description: 19.0338.04003

Recommendation

☒ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions ☐ Reconsider ☐

Motion Made by Rep Lefor **Seconded By** Rep Laning

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser			Rep O'Brien		
Vice Chairman Lefor			Rep Richter		
Rep Bosch			Rep Ruby		
Rep C Johnson			Rep Schauer		
Rep Kasper			Rep Adams		
Rep Laning			Rep P Anderson		
Rep Louser			Rep M Nelson		

Total (Yes) _____ No _____

Absent _____

Floor Assignment Voice vote - motion passed

Date: Jan 30, 2019

Roll Call Vote #: 2

2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 1171

House Industry, Business and Labor **Committee**

☐ **Subcommittee**

Amendment LC# or Description:

Recommendation

☐ Adopt Amendment
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☒ As Amended Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions ☐ Reconsider ☐

Motion Made by Rep Lefor **Seconded By** Rep Bosch

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser	X		Rep O'Brien	X	
Vice Chairman Lefor	X		Rep Richter	X	
Rep Bosch	X		Rep Ruby		X
Rep C Johnson	X		Rep Schauer	X	
Rep Kasper	AB		Rep Adams	X	
Rep Laning	X		Rep P Anderson	X	
Rep Louser	AB		Rep M Nelson	X	

Total (Yes) 11 No 1

Absent 2

Floor Assignment Rep Bosch

REPORT OF STANDING COMMITTEE

HB 1171: Industry, Business and Labor Committee (Rep. Keiser, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (11 YEAS, 1 NAYS, 2 ABSENT AND NOT VOTING). HB 1171 was placed on the Sixth order on the calendar.

Page 1, line 3, replace "grant" with "loan repayment"

Page 1, line 8, replace "**grant**" with "**loan repayment**"

Page 1, line 10, replace "grant" with "loan repayment"

Page 1, line 13, remove "The grant amount must convert to a student loan if the"

Page 1, remove line 14

Page 1, line 21, remove "An eligible individual may receive a grant in an amount up to eight thousand five"

Page 1, remove lines 22 through 24

Page 2, replace lines 1 through 17 with "Graduates of qualifying educational programs from institutions or entities in this state may apply for the skilled workforce student loan repayment program. To be eligible to receive student loan repayment grants under the program, the applicant:

a. Must have successfully completed a qualifying educational program from a Bank of North Dakota-approved institution or entity after January 1, 2019;

b. Must have maintained at least a 2.75 grade point average, based on a 4.0 grading system;

c. Must have a student loan with the Bank of North Dakota or other participating lender;

d. Following completion of a qualifying educational program must remain and work in this state in an eligible high-demand or emerging occupation; and

e. Must have met and shall continue to meet any requirements established by rule.

5. The Bank of North Dakota shall adopt rules to ensure compliance with residency and occupation requirements after completion of the qualifying educational program.

6. The Bank of North Dakota shall distribute student loan repayment grants from the 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."

Page 2, line 20, replace "grant" with "loan repayment"

Page 2, line 21, replace "grant" with "loan repayment"

Page 2, line 24, replace "**grant**" with "**loan repayment**"

Page 2, line 26, replace "grant" with "loan repayment"

Page 2, line 27, replace the first underscored comma with "and"

Page 2, line 27, remove ", and loan"

Page 2, line 28, remove "repayments to the fund"

Page 2, line 30, replace "**GRANT**" with "**LOAN REPAYMENT PROGRAM**"

Page 2, line 30, replace "$10,000,000" with "$5,000,000"

Page 3, line 1, replace "grant" with "loan repayment program"

Renumber accordingly

2019 SENATE EDUCATION

HB 1171

2019 SENATE STANDING COMMITTEE MINUTES

Education Committee
Sheyenne River Room, State Capitol

HB 1171
3/11/2019
33489

☐ Subcommittee
☐ Conference Committee

Committee Clerk: Lynn Wolf / Marne Johnson

Explanation or reason for introduction of bill/resolution:

A bill relating to the development and implementation of a skilled workforce student loan repayment program; to provide a continuing appropriation; to provide for a transfer; to provide an expiration date; and to declare an emergency.

Minutes: 8 attachments

Chairman Schaible: Opened the hearing on HB 1171.

Representative Jim Grueneich District 12: (0:40-4:45) Introduced the bill, please see attachment #1. The intent of this bill is to address workforce shortage, we recognized the fact that we don't have a job shortage, we have a workforce shortage. HB 1171 partners the Bank of North Dakota and independent business on a 1-to-1 match. For every dollar the Bank of North Dakota puts in there has to be a private partner to support it. It tries to address high-demand, high-need career fields, not excluding certification programs such as truck driving. Like any program, there are regulations; the students would have to maintain a 2.75 GPA, the maximum amount available to them is $17,000. It is set up in the form of a student loan. At the start of the program, one would get a loan, complete his or her degree, start employment with a sponsor employer, and at the end of 3 years, upon completion of income taxes, that would get reported to the Bank of North Dakota, who would then make that first year payment. Assuming 2-year college on a 3-year payback, we're hoping to fill a need in the workforce, but also keep a student, to bring them to North Dakota and root themselves here. The fact is that our young people are leaving the state, we feel like this might be another tool to keep them here. There is another bill similar to this that offers it as a scholarship or gift. This bill is about accountability and retaining.

Chairman Schaible: The other bill you are talking about is SB 2039 have you compared the two?

Representative Grueneich: I have.

Chairman Schaible: These are two very parallel programs that will probably be molded into one somewhere down the line. If we could take the best of both worlds, that would be ideal.

Eric Hardmeyer, Bank of North Dakota (5:45-10:55) Testified in favor, please see attachment #2. You teed this up for me when you said what are the differences between the two bills. I think there's going to be some amendments coming from Higher Ed. The purpose of my testimony is to explain the differences between the two bills. For the House's benefit, their education department did not see both bills, one when to IBL, one went to education. The Senate will see both. These two bills will be looked at and perhaps combined. To walk you through this (broke down the rows of attachment #2), the purpose of both is similar: to attract and retain students for professional or technical high skill demands. There is a difference in the amount required; HB 1171 started at $10 million was reduced to $5 million. SB 2039 stayed at $10 million, coming from Bank of North Dakota's capital. There is a per student difference; where HB 1171 you get up to $5,675 annually with a total of $17,000, SB 2039 you get 4 semesters full time tuition, books, supplies. The fundamental difference is when you receive the funds. HB 1171 says you get the benefit after you graduate, you take it as debt, SB 2039 says you get it at time of enrollment. There lies a significant difference between the two, as we think about it, if you are student, how would you prefer to get it, as a scholarship up front or take it as debt and have it forgiven after you've completed the course and are working in North Dakota? The GPA criteria is nearly the same, one is 2.5 the other is 2.75. There is a matching contribution, there was discussion about whether there was a claw back, SB 2039 does say that if you don't have a 2.5 GPA or enrollment is discontinued, or you leave the state within three years of graduating, the scholarship award agreement will have the ability to claw back, turn that scholarship into a debt instrument, and then they would be forced to pay it. The administer is a little different, we did amend SB 2039 to put Higher Ed in control of this, and would prefer to have that with HB 1171. We wanted the help you compare and contrast the two, our preference would be SB 2039, we think that it really reaches the intent of the program, rather than taking debt. As you know, we are a significant provider of debt for students as they go to college. Racking up more debt in the hopes of getting a scholarship would be something we would hope to avoid. There are students who would go and compete and complete their degrees without debt, this would require that they go in debt. This bill requires that a student take on debt. We understand HB 1171 and the amendments that were added, that might be easier to administer, but from our perspective, we think that SB 2039 meets the intent of the program a little better.

Chairman Schaible: HB 1171 is less risk to the state because they give it after the fact, certainly the bank offers other loans, explain how difficult it is to go after debt when they aren't fulfilling the requirements.

Eric Hardmeyer: Unfortunately, we have experience in collecting debt that is in default or problems with repayment. We think the critical part is what you put into the scholarship agreement. If we write it in such a way that this thing converts to a promissory debt if they move out of the state, then we have all the tools and the ability to collect as we do on our billion one of student loans that we are collecting on today. Many of them are out of state, so we have the tools, ability, collectors, experience to do this. Certainly, I think your point is right that it's easier up front if you give them a loan and forgive it afterwards, then they are in fact fulfilling their obligation. In SB 2039 though, you get it up front and it becomes a little more difficult, but if you look at the overall intent and what you are trying to do, that is to recruit students into these hard to work things, what's easier: here's a scholarship or here's some debt, and if you take this debt, perhaps you'll get it forgiven? If you were a student, which would you be interested in? Probably the upfront benefit.

Chairman Schaible: What's our current rate of uncollectables?

Eric Hardmeyer: North Dakota has led the nation in the lowest default for years. Tom Ternes is here from our bank, who heads up the collection activity, overall our claims are probably under 1-2%.

Lisa Johnson, Interim Vice Chancellor, Academic Student Affairs NDUS (14:20-20:10) Testified in favor, please see attachment #3.

Chairman Schaible: If amended as you suggested, what would be the differences between the two bills?

Lisa Johnson: I believe the dollar amount is different.

Senator Marcellais: You mentioned Tribal, is this available to students who are going to tribal colleges?

Lisa Johnson: The language indicates Associate Programs and lower, so Tribal Colleges would be included. That was language that was in the Senate bill, we mimicked that in the amendments you see today.

Senator Davidson: You rewrote SB 2039 in your edits.

Lisa Johnson: The amendments we proposed we so that it would be congruent or almost identical, as best we could, mostly since we don't know which one will advance.

Senator Davidson: If we included dual-credit pathways in high school within this piece, what would you think of that?

Lisa Johnson: It would take some work, because the subsequent bill coming up next, has that component to it, I'd have to look at that more carefully to see if that is workable.

Senator Davidson: We have a bill later in the day about pre-apprenticeship programs and that whole piece in there with the workforce council; now we're hearing the dual credit bill trying to get more kids in the stem piece, instead of taking it out of the career scholarships, if we could package it all together so that it made some sense with employers, that are focused on the two year colleges and that gap.

Lisa Johnson: I think we'd be willing to see if we could do that, that would be easier to do in some form of a scholarship, I think loan forgiveness gets a little hard when you are dealing with high school students.

Senator Oban: Does the University System administer other programs for students not enrolled in the university system?

Lisa Johnson: We do, we administer the dual credit pilot program, which administers state funds to k-12 teachers taking coursework. Each time we take on an initiative like this, there

is a learning curve for us, but we are comfortable taking it on, I would say managing a scholarship is a slight nuance for us. But we're willing to take that on.

Senator Marcellais: Is this available for online students?

Lisa Johnson: Yes, it is available for online courses. There will be entire programs online.

Jane Vagsness Frisch, Vice President, Student Affairs North Dakota State College of Science (24:35-26:55) Testified in favor, please see attachment #4. This bill would help us at NDSCS better address the critical workforce shortage we are experiencing in North Dakota through attracting and retaining students while further increasing the affordability of higher education through partnering with private business and industry.

Cambree Smith, Vice President of North Dakota Student Association (28:00-31:10) Testified in favor, please see attachment #5.

Senator Oban: There are a lot of people who get up here and talk about what students would prefer, so do you think students would prefer a scholarship program or a loan repayment program?

Cambree Smith: There has been a lot of discussion in NDSA, as I mentioned we do experience a lot of financial burdens as a student, most of us are non-traditional, have families, are married, have kids, work full time jobs. As such having that money upfront is more likely to benefit those students who are on the verge of dropping out, and many of those students that are on the verge, would be phenomenal additions to the workforce. I would support the scholarship over the loan repayment.

Ellen Huber, President, Economic Development Association of North Dakota (32:35-36:30) Testified in favor, please see attachment #6.

Mason Sisk, Assistant Executive Director, Technology Council of North Dakota (37:00-38:40) Testified in favor, please see attachment #7.

Chairman Schaible: Your 70-some memberships, have they shown an interest in matching some of these dollars? Do you think we'll be able to raise $10 million or $5 million?

Mason Sisk: I can't say for certain that any of them are committed to, but those conversations are being held, I know there are questions about whether a company would be interested in contributing when they aren't guaranteed a student. Based on some conversations we've had with some of our membership, I think they're interested in investing in the community as a whole, they aren't only interested in the benefit they would have, but the economic development and impact they could have on the community.

Chairman Schaible: I think with the other bill we had that conversation with industry in giving money, but making sure they get students in that area and an opportunity for that kind of thing. That's a good discussion to have with this bill too.

Matt Gardner, Greater North Dakota Chamber (39:55) Testified in favor, please see attachment #8. During the interim we formed some policy committees of business leaders across the state, they range from workforce, infrastructure, business climate, many different topics, no matter what committee or subject, it seemed like it always came back to workforce. It's pretty clear in the business community that workforce is the number one challenge that we face. We want to drive students towards those high demand career fields, much like the people before us talked about the difference between a loan repayment and a scholarship, if we are trying to drive students towards those high demand field, I think a scholarship will be more enticing. It would remove some barriers. One is to take on debt, that might be a step there that some individuals may not be willing to pursue. We like HB 1171, we also like SB 2039. Some of the things that are important to us is that it's broad enough to include certificate programs. 2-year degree programs are important, but also the certificate programs. Regarding the private industry match, we've had those discussions early on, they range from smaller businesses wanting to foster that individual student and providing their share towards that individual to companies looking for a broader pool of certain skill sets for them to recruit from.

Senator Fors: Are you chasing these students around the state, letting them know about this program? How do they know about it? There's lots of testimony about what students want, but I'm not so sure they know about what you have now.

Matt Gardner: I am not. I would put on a branch here, that Bank of North Dakota and the University System would let individuals know. I know from a Chamber perspective, through our employers and members, as they go out and recruit students and are looking for people to hire, I imagine they would be getting the word out as well. We would do our fair share of getting this information out there.

Senator Rust: I'm assuming you would make this information available to school counselors, is that correct?

Matt Gardner: I'm not sure if we would, the University System probably would. We would do it through our employers, who do things in schools to get students interested in manufacturing, etc., I think a step there would be talking to school counselors as well.

Chairman Schaible: There are a lot of avenues we use for other existing scholarships. Our dashboards and in house training. Word would get out.

No opposing testimony.
No agency testimony.

Chairman Schaible closed the hearing.

2019 SENATE STANDING COMMITTEE MINUTES

Education Committee
Sheyenne River Room, State Capitol

HB 1171
3/19/2019
33970 (3:55)

☐ Subcommittee
☐ Conference Committee

Committee Clerk: Lynn Wolf

Explanation or reason for introduction of bill/resolution:

A bill relating to the development and implementation of a skilled workforce student loan repayment program; to provide a continuing appropriation; to provide for a transfer; to provide an expiration date; and to declare an emergency.

Minutes: Att: #1-Schaible

Chairman Schaible: We will be looking at HB 1171. I have passed around an amendment-19.0338.050001.

Senator Rust: Move to adopt the amendment.

Senator Davison: Second.

Roll Call Vote 7 Yeas; 0 Nays; 0 Absent.

Amendment adopted.

Motion by Oban; Second by Davison to Do Pass as Amended.

Roll Call Vote 7 Yeas; 0 Nays; 0 Absent.

Motion carried. Senator Schaible will carry the bill.

2019 SENATE STANDING COMMITTEE MINUTES

Education Committee
Sheyenne River Room, State Capitol

HB 1171
3/20/2019
34042 (1:42)

☐ Subcommittee
☐ Conference Committee

Committee Clerk: Lynn Wolf

Explanation or reason for introduction of bill/resolution:

A bill relating to the development and implementation of a skilled workforce student loan repayment program; to provide a continuing appropriation; to provide for a transfer; to provide an expiration date; and to declare an emergency.

Minutes: No Attachments.

Chairman Schaible: Committee, we will have to bring HB 1171 back so we can rerefer to Appropriations.

Motion by Rust, second by Davison to reconsider HB 1171.

Roll Call Vote: 7 Yeas; 0 Nays; 0 Absent.

Motion carried

Motion by Oban, second by Rust to Do Pass as Amended and rerefer to Appropriations.

Roll Call Vote: 7 Yeas; 0 Nays, 0 Absent.

Senator Schaible will carry the bill.

SK 3/19 1952

19.0338.05001
Title.06000

Prepared by the Legislative Council staff for
Senator Schaible
March 19, 2019

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1171

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 15-10 of the North Dakota Century Code, relating to the development and implementation of a skilled workforce scholarship program; to provide a continuing appropriation; and to provide for a transfer.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

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

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

2. The state board of higher education shall develop policies to administer a skilled workforce scholarship program in cooperation with the Bank of North Dakota and the workforce education advisory council. The purpose of the skilled workforce scholarship program is to attract and retain students for professional or technical skills in high demand in this state.

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

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

5. To be eligible for a scholarship under this section, a student must maintain a 2.5 cumulative grade point average, based on a 4.0 grading system. A student may not receive scholarships under this section for more than the

equivalent of four semesters of full-time enrollment or eight quarters of full-time enrollment. Upon completion of a qualifying educational program, a student who received a scholarship under this section shall remain and work in this state for a minimum of three years.

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

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

SECTION 2. TRANSFER - BANK OF NORTH DAKOTA - SKILLED WORKFORCE SCHOLARSHIP FUND. The Bank of North Dakota shall transfer the sum of $10,000,000, or so much of the sum as may be necessary, from the Bank's current earnings and undivided profits to the skilled workforce scholarship fund during the biennium beginning July 1, 2019, and ending June 30, 2021."

Renumber accordingly

Date: 3-19-19
Roll Call Vote #: 1

2019 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1171

Senate Education Committee

☐ Subcommittee

Amendment LC# or Description: 19.0338.05001

Recommendation: ☑ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____

Motion Made By Sen Rust Seconded By Davison

Senators	Yes	No	Senators	Yes	No
Chairman Schaible:	✓		Senator Marcellais:	✓	
Vice-Chairman Fors:	✓		Senator Oban:	✓	
Senator Davison	✓				
Senator Elkin:	✓				
Senator Rust:	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Amendment Adopted

Date: 3-19-19
Roll Call Vote #: 2

2019 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. HB1171

Senate Education Committee

☐ Subcommittee

Amendment LC# or Description: _____

Recommendation: ☐ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☑ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____

Motion Made By Oban Seconded By Davison

Senators	Yes	No	Senators	Yes	No
Chairman Schaible:	✓		Senator Marcellais:	✓	
Vice-Chairman Fors:	✓		Senator Oban:	✓	
Senator Davison	✓				
Senator Elkin:	✓				
Senator Rust:	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Schaible

If the vote is on an amendment, briefly indicate intent:

Date: 3-20-19
Roll Call Vote #: 1

2019 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1171

Senate Education Committee

☐ Subcommittee

Amendment LC# or Description: _____

Recommendation: ☐ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☑ Reconsider ☐ _____

Motion Made By Rust Seconded By Davison

Senators	Yes	No	Senators	Yes	No
Chairman Schaible:	✓		Senator Marcellais:	✓	
Vice-Chairman Fors:	✓		Senator Oban:	✓	
Senator Davison	✓				
Senator Elkin:	✓				
Senator Rust:	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Bill to be reconsidered

Date: 3-20-19
Roll Call Vote #: 2

2019 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1171

Senate Education Committee

☐ Subcommittee

Amendment LC# or Description: _____

Recommendation: ☐ Adopt Amendment
☑ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☑ As Amended ☑ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____

Motion Made By Oban Seconded By Rust

Senators	Yes	No	Senators	Yes	No
Chairman Schaible:	✓		Senator Marcellais:	✓	
Vice-Chairman Fors:	✓		Senator Oban:	✓	
Senator Davison	✓				
Senator Elkin:	✓				
Senator Rust:	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Sen. Schaible

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1171, as engrossed: Education Committee (Sen. Schaible, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1171 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 15-10 of the North Dakota Century Code, relating to the development and implementation of a skilled workforce scholarship program; to provide a continuing appropriation; and to provide for a transfer.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

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

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

2. The state board of higher education shall develop policies to administer a skilled workforce scholarship program in cooperation with the Bank of North Dakota and the workforce education advisory council. The purpose of the skilled workforce scholarship program is to attract and retain students for professional or technical skills in high demand in this state.

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

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

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

6. An individual shall repay the scholarship pursuant to the terms in the individual's scholarship award agreement if the individual fails to maintain

a 2.5 cumulative grade point average while enrolled, discontinues attendance before the completion of any semester or quarter for which a scholarship has been received, or fails to remain and work in this state for at least three years following degree or certificate completion.

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

SECTION 2. TRANSFER - BANK OF NORTH DAKOTA - SKILLED WORKFORCE SCHOLARSHIP FUND. The Bank of North Dakota shall transfer the sum of $10,000,000, or so much of the sum as may be necessary, from the Bank's current earnings and undivided profits to the skilled workforce scholarship fund during the biennium beginning July 1, 2019, and ending June 30, 2021."

Renumber accordingly

2019 SENATE APPROPRIATIONS

HB 1171

2019 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

HB 1171
3/27/2019
JOB # 34248

☐ Subcommittee
☐ Conference Committee

Committee Clerk: Alice Delzer / Carie Winings

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to create and enact a new section to chapter 15-10 of the North Dakota Century Code, relating to the development and implementation of a skilled workforce scholarship program; to provide a continuing appropriation; and to provide for a transfer. (DO PASS)

Minutes:

1.Testimony of Arik Spencer, GNDC

Chairman Holmberg: Called the Committee to order on HB 1171. Roll call was taken, all committee members were present. Renae Bloms, OMB and Sheila M. Sandness, Legislative Council were also present.

Chairman Holmberg: I found it interesting, after talking to more than one House member who seem to have the impression that you are not supposed to go over and testify on your bills in the Senate.

Senator Dever: In the House you don't go to appropriations. The chairman of the policy committee does.

Eric Hardmeyer, President, Bank of North Dakota: I am representing a conversation that I had with the House members who don't feel that they can come over here and testify. We met with them yesterday. There are 2 different competing bills, SB 2039 and HB1171, that both essentially do the same thing. They are trying to develop workforce. They have taken SB 2039 and changed it from a scholarship program to a forgivable loan program. There are those of us that have looked at both bills and we looked at the intent and have concluded that the scholarship piece was more preferable than the loan forgiveness for a number of reasons. They seem to be stuck on the issue that they like loan forgiveness. They hope you pass HB 1171 today, and that you get it to a conference committee. Some of the compromise that they are hoping for is that it may end up as a combination bill using $10 million of Bank of North Dakota profits to fund this, but that it could be a compromise where some of the money goes for scholarship and some goes for forgivable debt. Their reasoning for the forgivable debt side is that you have people that have already graduated from courses and are entering the workforce today in these hard to fill or desired jobs and they want an

incentive for those as opposed to HB 1171 or SB 2029 which would be those entering into the education piece.

Chairman Holmberg: Are both bills from Industry, Business, and Labor committee?

Eric Hardmeyer: No, one is from Education and one is Industry, Business, and Labor.

Chairman Holmberg: This one is from Industry, Business, and Labor. If they are going to work out a compromise, will it be in Industry, Business, and Labor or Education, or Both? That is a leadership question and you don't have to answer that. We don't even know.

Senator Mathern: I believe we have Engrossed HB 1171 before us and I would just as soon someone explain what it is and we make a decision on it.

Arik Spencer, President & CEO of Greater ND Chamber (GNDC): Testified in favor of HB 1171 and submitted Attachment #1. I will try to explain the bill the best that I can. It was designed to address workforce shortages in North Dakota. It is a tool in the toolbox. It came out of the House as a loan forgiveness program. It is a skilled scholarship program and it creates a fund in the state treasury, and it calls for the Board of Higher Education to administer a skilled workforce scholarship program in cooperation with the Bank of North Dakota and the Workforce Education Advisory Council. The purpose of the program is to attract and retain students for professional or technical skills in high demand areas in North Dakota. The Board of Higher Education and the Workforce Education Advisory Council will compile a list of qualifying educational programs each year. Individuals enrolled in the programs would be eligible to apply for a scholarship created by this bill. Scholarships would be limited to the amount charged each quarter or semester by the educational institution for tuition, fees, books, and supplies required for the qualifying educational program. The scholarship would be able to supplement any other grant or financial aid received by the student. To the eligible, the student would have to maintain at least a 2.5 GPA. They would not receive scholarships under this section for more than the equivalent of 4 semesters of full time enrollment or 8 quarters of full time enrollment. The individual would have to repay the scholarship if they didn't fulfill the terms of the scholarship award; which would be maintaining a 2.5 GPA, and also they would have to remain working and living in the state for 3 years following the completion of their degree or certificate program. It appropriates $10 million from the Band of North Dakota's earnings for the program. We believe this is a great idea and we strongly urge continuation of the conversation about this program whether the vehicle is HB 1171 or SB 2039. We think this is an important tool to address our workforce needs in the state. All surrounding states have some sort of program like this. It is critical that we develop our own program to compete to keep those students in North Dakota.

(9:45) Senator Mathern: What degree programs would be eligible for students to partake in to get the scholarship?

Arik Spencer: In this version, those degree programs would be up for the Higher Education Workforce Advisory Council. There are no specified tracks of education per say. The goal is that those in-demand technical careers are focused on. SB 2039 currently uses the Workforce Development Council under job service and that is our preference, but we think this is a good conversation to have and we urge you to continue having it.

Chairman Holmberg: Shelia will give us a brief recap of what we passed in SB 2039 and what our concept was that we agreed to earlier in session.

(10:50) Sheila M. Sandness, Legislative Council: Engrossed SB 2039 was heard in the House Appropriations committee on Friday, but they haven't acted on it. Engrossed SB 2039 is a loan repayment program. The Band of North Dakota will adopt the rules for that, and the North Dakota Workforce Development Council in cooperation with Job Service would use available labor market information to determine annually the eligible high demand emerging occupations in the state. The Workforce Development Council would compile the list of the qualifying educational programs. To be eligible to receive the program, the applicant has to have successfully completed an educational program from a Bank of North Dakota approved institution or entity after January 1, 2019, and they must have a student loan at the Bank of North Dakota or other participating lender. Following the completion of the program, they must remain and work in the state in an eligible high demand or emerging occupation, and they must have met and continue to meet all requirements established by rule. It provides that the Bank of North Dakota shall adopt the rules to ensure compliance with the residency and occupation requirements. The Bank of North Dakota would distribute the student loan repayment grants. The program must be a joint public and private effort, and the Bank of North Dakota shall provide $1 of funding for each $1 raised by the private sector.

Chairman Holmberg: That is what the House is passing. My question is what did we pass when we had SB 2039?

Sheila Sandness: I am sorry. I thought you wanted it in its current form.

Chairman Holmberg: No, what we passed was a grant that if you didn't maintain your GPA or you left, then you had to pay it back. Otherwise it was a grant.

Sheila M. Sandness: That is correct. As it was passed by the Senate, Engrossed SB 2039 was a workforce scholarship program. The Board of Higher Education would develop the policies to administer the program. The Board of Higher Education and the Workforce Education Advisory Council would complete the list of qualifying educational programs each year. The qualifying programs must be able to be completed in 4 semesters or 8 quarters, and pertain to technical skills in high demand in the state. They were limited in amount to tuition fees, books and supplies. To be eligible they must maintain the 2.5 cumulative GPA. Upon completion, the student who received the scholarship must remain and work in the state for 3 years.

Chairman Holmberg: Are we not voting on SB 2039 again? The bill number has changed from the one in front of us, but they look quite similar.

Sheila M. Sandness, Legislative Council: You're right. SB 2039 was passed by the Senate and it looks very similar to HB 1171 in its current form.

Chairman Holmberg: The engrossed version with Senate amendments. As I was looking at this, it sounds like we're being asked to revisit a bill we passed unanimously.

(14:58) V. Chairman Wanzek: It sounds like SB 2039 started out as a scholarship and now it's a loan forgiveness, and HB 1171 started as a loan forgiveness and now it's a scholarship.

Senator Bekkedahl: I sat on the interim taxation committee. This was a bill draft that was looked at in both forms by that committee. This inception of that conversation began when South Dakota instituted this program, but they didn't do it necessarily as workforce development; that was part of it. Their bigger issue was that they were looking at recruiting students into their institutions and then retaining them in the state for workforce. It looked like the area of North Dakota most impacted by that move by South Dakota would have SE North Dakota. You are seeing here the attempt to mirror that program and stop some loss of students going into their programs and retain more workforce in North Dakota. The committee ultimately decided not to put in a bill from the interim committee and you see members of the committees on both of these bills. In the discussion that I remember is that the scholarship was the preferred mechanism from the committee, without having a bill draft.

Representative Alisa Mitskog, District 25: I did not get up when you were asking for an explanation of the bill because it has changed a bit from the concept that came out of the interim committee. Senator Bekkedahl did a good job of explaining. During the interim, the taxation committee did discuss this. It started as a workforce discussion, but the reality is, we are competing as a state with our neighboring states. South Dakota, Minnesota, Montana, and 20 some other states across the county have programs like this to address workforce issues. I am looking at from southeast North Dakota, we have a limited number of students entering our higher institutions and ultimately into our workforce. This is about being competitive and do what our neighbors are or more to retain these students. Once they leave our state to be educated and trained, we are not going to get them back here to work. This bill is critical for our workforce, but also for our higher education institutions to maintain enrollments and for the future of our state in population and workforce. I ask for your consideration. This is an important bill for our state.

Chairman Holmberg: Basically, you are asking for us to vote for a bill that we already passed. I think it is critical, if we do that, the leadership be aware that they have to coordinate between 2 different committees. Otherwise you will go two different directions and who knows what will happen.

John Richman, President, North Dakota State College of Science: Testified in favor of HB 1171. I am asking for a Do Pass so this can be moved into conference committee. To speak from an institution that has a mission to educate and train the workforce for North Dakota, one of those pieces that we need to do is to be able to attract students into programs. Erik mentioned a tool. We look for tools for our toolbox to recruit students. This bill is a tool that Representative Mitskog indicated South Dakota, Minnesota, and Montana have; where we get 23% of our students from. Since they implemented these programs, we have seen a lesser number of students coming from those 3 states so they do work. There are 20 plus other states that have these programs. Some have not been in existence very long. Tennessee was the first one, and they are seeing results of keeping more of their in state student because theirs is strictly an in state resident requirement. With the workforce issue, we believe the non-resident, as well as the resident, needs to be part of this. The tool we need is the scholarship. We need to be able to walk into a high school or talk to a family and be able to say that we have a scholarship. The more we learn about the Z Generation just

coming into college, they are much more debt conscious and are not as willing to take on a loan. If all we have is a loan, that is not a real strong message or a tool. We need that scholarship. We understand that if the student doesn't fulfill that obligation, they need to pay it back. We are fine with that. You heard about the 1 for 1 match from the private sector. We are fine with that. Everyone should have skin in the game. We talked about two different bill. One having $5million, and the other one having $10 million. I would ask you to consider funding this at the highest level you can. When you look at the 20 states that have this program, the range of dollars invested is a wide range. It goes from $2 million to $300 million. South Dakota invested $25 million of state funds. Minnesota, in its initial format, invested over $9 million, and now they invest almost $16 million in their program. We did a quick assessment of our fall 2017, and we laid against all of our students and we laid against the last dollar. Because we really think this should be a last dollar program. On our campus alone in 2017, in the first year, all of our students would have roughly used about $3 million as that last dollar. In the second year, we would need $5 million. Now that was all of our students. Not all of our students will be eligible for this because of the program piece, and not all of our students are going to get the private sector. Senator Mathern asked who developed the programs. It has been mentioned, job service, higher education, and the Workforce Development Council. My position has always been that it is not higher ed's role to determine what the programs should be. I think we need to be at the table, but that is not our role. I think it is the role of the Workforce Development Council and Job Service, to tell us what programs are in high demand. Then it is higher education's responsibility to attract students into those programs which this tool will allow us to do better.

Chairman Holmberg: No further testimony was present and closed the hearing on HB 1171.

V. Chairman Wanzek: Moved a Do Pass on HB 1171.

Senator Robinson: Seconded.

A Roll Call Vote Was Taken: 14 yeas, 0 nays, 0 absent.

Senator Schaible will carry the bill.

Chairman Holmberg: This will go back with a message that IBL and Education need to work together on this. Adjourned the committee on HB 1171.

Date: 3-27-19
Roll Call Vote #: 1

2019 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1171

Senate Appropriations Committee

☐ Subcommittee

Amendment LC# or Description: _____

Recommendation: ☐ Adopt Amendment
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____

Motion Made By Wanzek Seconded By Robinson

Senators	Yes	No	Senators	Yes	No
Senator Holmberg	✓		Senator Mathern	✓	
Senator Krebsbach	✓		Senator Grabinger	✓	
Senator Wanzek	✓		Senator Robinson	✓	
Senator Erbele	✓				
Senator Poolman	✓				
Senator Bekkedahl	✓				
Senator G. Lee	✓				
Senator Dever	✓				
Senator Sorvaag	✓				
Senator Oehlke	✓				
Senator Hogue	✓				

Total (Yes) 14 No 0

Absent 0

Floor Assignment Back to Education - Schaible

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1171, as engrossed and amended: Appropriations Committee (Sen. Holmberg, Chairman) recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1171, as amended, was placed on the Fourteenth order on the calendar.

2019 CONFERENCE COMMITTEE

HB 1171

2019 HOUSE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee
Peace Garden Room, State Capitol

HB 1171
4/8/2019
34599

☐ Subcommittee
☒ Conference Committee

Committee Clerk: Ellen LeTang

Explanation or reason for introduction of bill/resolution:

Development and implementation of a skilled workforce student grant program.

Minutes:

Chairman Bosch: Opens the conference committee on HB 1171.

Chairman Bosch: HB 1171 today is what SB 2039 was originally. SB 2039 ended up as HB 1171 & killed that on Friday. The difference between the two bills was HB 1171 originally started as a loan forgiveness program & currently is in a scholarship program.

They both have merits but the house felt that the loan forgiveness program had immediate impact on workforce shortage.

Sen Schaible: We have 2 different scenarios. We have existing graduates that are looking to move to a job. In that case a loan forgiveness program would work. The other one is trying to entice students to go into a program where a scholarship program might work. Is it fair to say that a combination of that might be beneficial?

Chairman Bosch: They both have merits. They are two different approaches. There is "let's do something today" approach versus "lets plan for the future". We had the scholarship version before us & it didn't get very far.

Sen Schaible: Why?

Chairman Bosch: We wanted to do something immediate to solve some workforce shortages. There were some questions on the implementation of it. You have someone who was given a scholarship, then they have to come back & they don't fulfill the obligations. Maybe they changed majors or they don't go to work, how do we implement the loan? They have to turn that into a loan after the fact. We thought that would be problematic.

Sen Schaible: Maybe so but it seems we have a need based grant of 22 million dollars that's looking pretty good. We have an academic & CTE program of up over 12 million

dollars that is also looking pretty good. We have a professional student exchange program of 3.7 million dollars. Those are all scholarships that currently seems to be fulfilling the needs & doing what we are trying to do. I understand the changing majors, not fulfilling the requirements & do they come in that uncollectable at that point?

When we have both programs out there & it seems to me that an uncollectable, which one is easier to go after. Seems that the Bank of ND has a high success rate on both loan forgiveness & uncollectable debt. That didn't seem to be a real issue doing that, if you are going to a loan forgiveness, it seems to be cumbersome in several ways that you have to go through a couple of extra steps just to get the money out of it. You are creating debt right off the bat & with the scholarship you would not.

I don't know if it's a hindrance by going to a loan. I see the benefits on both sides but it seems to me that we are doing about the same things. Are we creating an extra step in creating some hindrances that might not be necessary.

Chairman Bosch: When you are talking about hindrances are you talking about them getting a loan upfront on the scholarship side of it?

Sen Schaible: First they have to get a loan on your version.

Chairman Bosch: But they already had loans.

Sen Schaible: A new student. We are talking about two different things. Is it true that this works for both categories? An existing person that's just changing a job with a loan & we're looking for forgiveness or is this also for a new student that doesn't have a certificate or degree yet?

Chairman Bosch: Because it's a loan, we don't even address the student. The student isn't part of the conversation. What happens when they graduate or what they are doing? It's filling a job.

Sen Schaible: Maybe we should consider the fact that we should include them because we are trying to entice them to go into professions. The industries donated some money to get student to go into this program.

Chairman Bosch: I don't disagree. I think there is room for both, they are the same but they are different.

Chairman D Ruby: The problem is we don't want to educate the kids for other states either. When it's a loan, we steer them into the professions that qualify. If we can retain them, that's great, but it we can't, at least we are not out all the money if it were a scholarship.

Sen Schaible: If they default on any one of these programs, we are going after then anyway. Whether it's a loan or scholarship forgiveness, I think the rate of going after them is pretty good. I don't see that's a real hindrance.

I think we are looking for out of state people to come here & work. Isn't that the idea that we are trying to do. If you come, get a degree or certificate & work in this state, you get this money. I think we are looking at two ways of doing it. I agree with you with the avenue of existing employees that have loans, I think that's viable. I don't want to give up on the students that come here.

Rep P Anderson: They do say they have to work a minimum of 3 years.

Chairman Bosch: Yes that's correct, it does say that on both versions of it. If they took the scholarship version of the bill, the requirement is almost the same whether it's a scholarship or a loan forgiveness. They need to work in the state for three years that has to be verified & a certain grade point average.

Sen Oban: I was reviewing the bill as it came over to the senate, it looks like it, it has the Bank of ND adopt rules to ensure compliance. Does it say the residency & occupancy requirements as sent over to the senate?

Chairman Bosch: I don't think it defines that. They were going to use employer records, tax returns & things like that.

Sen Oban: The Senate bill had the three years & this one had the Bank of ND establish it.

Rep Ruby: There are employers that do loan forgiveness programs. It could be duplicative for both. Ours does say that if we are under any other repayment grant, they are not eligible. Page 2, is that language in your version too?

Sen Schaible: We had language that passed both sides with our needs scholarship. We did allow that because the existing language now says that if you get that & they received another scholarship, it was deducted. We did put a bill through that allowed that to take hold. If they are working hard for other scholarships, they shouldn't by hindered by deduction from another one. That's a different bill & that language did pass that.

Chairman D Ruby: We have all other programs you just listed, why do we even need this one?

Sen Schaible: I consider this a gap scholarship. What are the wishes of the committee? We have now an academic which is the high flyers that are achieving very well. We are creating a career & technical path for that also. So, the high flyers in this area we are rewarding, but by doing that are we creating for the not so high flyers, the non-academic ones & they are what we are looking for to increase our workforce needs. You can do two things; you can lower the academic side or you can do something like this or required for certification or graduation. We've covered the top end, it's the bottom ones that we are missing to entice them to work in the state of ND.

Rep P Anderson: This one also says that a private sector has to provide a one dollar matching funds.

Chairman Bosch: I have a question on the Senate side regarding that. Is that new monies coming in or is it existing funds that are coming into the schools already?

Sen Schaible: I believe that both versions take money from the unreserved profits to the Bank of ND, it's a one for one match. If industry is looking for someone going into that field, it would be a one for one match. There is where the rules & creation will make this work.

If you are looking at an existing person, with a loan recover, you might find that person. If you are enticing somebody to go into that field, I think that's where a scholarship would work. That's why private industry is putting money into these funds & that is where you would have a pretty good idea of enticing students to this education institute to go to that job.

Chairman Bosch: The revenue source is the same.

Sen Schaible: The difference is yours had five & ours had 10.

Chairman Bosch: The one to one match came from the private sector.

Rep Schauer: You are exactly right.

Sen Oban: The loan versus scholarship conversation, the house bill, the .0005 version, page 2, lines 1-2, would only apply to people who successfully completed a program after January 1 of this next year. That would exclude these people who might already be out there, wouldn't it?

Chairman Bosch: That's correct.

Sen Oban: There is a small population, current students who might be about done, if it were a scholarship program, would not fall into it.

Chairman Bosch: That is correct.

Chairman Bosch: Does the committee feel that we have room for both programs?

Sen Schaible: I think there is room for both, that's our job.

Chairman Bosch: Further discussion. Closes the conference committee hearing.

2019 HOUSE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee
Peace Garden Room, State Capitol

HB 1171
4/15/2019
34599

☐ Subcommittee
☒ Conference Committee

Committee Clerk: Ellen LeTang

Explanation or reason for introduction of bill/resolution:

Development and implementation of a skilled workforce student grant program.

Minutes: Attachment 1, 2

Chairman Bosch: Opens the conference committee on HB 1171. We had a conversation about the two different approaches of the workforce strategy & education. I have an amendment before you that is scholarship & grant program.

Alex Cronquist: Cronquist~Legislative Council: Attachment 1. Walks through the amendments.

9:30

Sen Schaible: Page 2, section 5, subsection 3, is there a limit to that or do they get paid so much a year that they work. Is there no minimum work requirement, explain how that works.

Alex Cronquist: In subsection 7, there is a limit of 1/3 of their outstanding principle balance. They would get 1/3 per year, so if they leave after 1 year, they would get 1/3 pay but they won't get the additional 2/3 of their loan paid. After three years they reach the max & have the entire amount paid off.

Sen Davison: I don't see semester or quarters in the grant program. Is it 4 quarters or 8 semesters.

Alex Cronquist: We didn't limit it to an amount of time.

Chairman Bosch: That is correct, the House's intent was to not limit the programs.

Chairman Bosch: Attachment 2. With all these programs we felt that they should set some guidelines & measurement to track it.

Sen Schaible: I'm fully ok with what is suggested. I'm not sure how we would measure it. Are we doing what we intended & how would we measure it. I like what you have.

Chairman Bosch: Without measurement, how do we know if it's working?

Brenda Zastoupil: Regarding track, definitely a good suggestion for the base data. What we can see from that data what are the opening positions, vacancies as we implement this. Also, we can ask the applicants whether or not selected other programs, moved out of state, so those are some of the things.

Sen Schaible: The loan forgiveness program would be ready right away but does the university system have to adapt rules for this. How do you see that plan out?

Brenda Zastoupil: We have had sessions with the business folks & the Bank of ND. We have done some of the preliminary work already in place. We hope we would have something to kick off by this fall.

Chairman D Ruby: Subsection 6, page 2, I don't see anywhere residency requirements for the loan forgiveness. What would you use for your guidelines for the loan forgiveness?

Brenda Zastoupil: There are various ways that we can determine residencies in collecting tax documents.

Rep Ruby: That's how you track it, but would you set rules that are in compliance with the residency requirement. I don't see any requirements in the bill.

Brenda Zastoupil: That is what we would define through policy procedures so that there would be clear definitions.

Rep Ruby: I don't see where it says you need to be a resident.

Brenda Zastoupil: Page 2, section 5, subsection c, must reside in the state.

Chairman Bosch: This is going to require a partnership with the private sector. Any thoughts about the private sector with working or planning with them?

Brenda Zastoupil: We have already been working with them in developing the program.

Rep P Anderson: How does your teacher loan forgiveness program work as far as residency?

Brenda Zastoupil: They have to work in ND in a loan qualifying district.

Rep P Anderson: Do you see this working the same way?

Brenda Zastoupil: We have clearer language in here.

Rep Ruby: For the scholarship, there is a requirement for a 2.5 grade point average. In the House committee, we talked about a little higher than that. What are your comments about that?

Chairman Bosch: There was a 2.75, I don't know recall why we went back to 2.5. Alex, do you remember why we went back to a 2.5?

Alex Cronquist~Legislative Council: No, I don't recall any discussion. We went to back to the Senate version.

Sen Schaible: I believe our other scholarships are 2.5. I think it makes sense to be consistant.

Rep Ruby: That was a pretty low bar for this type of program.

Chairman Bosch: Does the Senate have any thoughts on that?

Brenda Zastoupil: The academic scholarship is a merit based scholarship set at 2.75. For this particular program, at colleges the 2.0 is generally the bottom levels for academic progress. In the new types of programs, maintaining academic progress & you would still be able to obtain a job within ND, which is the goal of the program is to get them job skill.

Sen Schaible: I would have to agree with that. This is for job fulfillment.

Chairman Bosch: What about the emergency clause to the bill?

Sen Oban: Your subsection 10 is only going to apply to the loan program? Is that correct?

Chairman Bosch: Applies for both.

Sen Schaible: I would like to wait & see the new amended christmas version.

Sen Oban: In that amended version to also adjust that language in section 1, subsection 7 & add the emergency clause.

Chairman Bosch: Closes the hearing.

2019 HOUSE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee
Peace Garden Room, State Capitol

HB 1171
4/17/2019
34802

☐ Subcommittee
☒ Conference Committee

Committee Clerk: Ellen LeTang

Explanation or reason for introduction of bill/resolution:

Development and implementation of a skilled workforce student grant program.

Minutes: Attachment 1, 2

Chairman Bosch: Attachment 1. We talked about some changes & we passed out an amendment. Goes over the attached amendment that was agreed on in the previous conference meeting held April 15.

3:15

Chairman Bosch: Does anyone have any thoughts or motions?

Sen Schaible: Moves that the Senate recede from Senate Amendment & amends to adopt amendment .05004.

Rep Ruby: Second.

Chairman Bosch: Further discussion?

Roll call was taken on HB 1171 for the Senate to recede from the Senate amendments & amends with 6 yes, 0 no, 0 absent & Chairman Bosch & Sen Schaible are the carriers.

Chairman Bosch: I think we have a good program here & I'm glad that we added the measuring. That's important to find out how we do. Then we can look at it to see if we are accomplishing what we are hoping to do & have good results.

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19.0338.05004
Title.07000

Prepared by the Legislative Council staff for
Representative Bosch
April 15, 2019

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1171

That the Senate recede from its amendments as printed on pages 1393 and 1394 of the House Journal and pages 999-1001 of the Senate Journal and that Engrossed House Bill No. 1171 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact two new sections to chapter 15-10 of the North Dakota Century Code, relating to the development and implementation of a skilled workforce student loan repayment program and a skilled workforce scholarship program; to provide continuing appropriations; to provide for transfers; to provide for reports to the legislative management; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

Skilled workforce student loan repayment program - Skilled workforce student loan repayment program fund - Continuing appropriation - Report.

1. There is created in the state treasury the skilled workforce student loan repayment program fund. The fund consists of moneys transferred into the fund by the legislative assembly, matching funds received, and loan repayments. Moneys in the fund are appropriated to the state board of higher education on a continuing basis for the purpose of distributing student loan repayment grants directly to the Bank of North Dakota or other participating lender to repay outstanding student loan principal balances for eligible applicants.

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

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

4. The state board of higher education and the North Dakota workforce development council shall compile a list of qualifying educational programs annually. Qualifying education programs must pertain to the professional and technical skills and emerging occupations in high demand in this state, as determined under subsection 3. Qualifying educational programs may include degree or certificate programs.

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5. Graduates of qualifying educational programs from institutions or entities in this state may apply for the skilled workforce student loan repayment program. To be eligible to receive student loan repayment grants under the program, the applicant:

   a. Must have successfully completed a qualifying educational program from an eligible institution of higher education;

   b. Must have a student loan with the Bank of North Dakota or other participating lender;

   c. Following completion of a qualifying educational program, must reside and work in this state in an eligible high-demand or emerging occupation; and

   d. Must have met and shall continue to meet any requirements established by rule.

6. The state board of higher education shall adopt rules to ensure compliance with residency and occupation requirements after completion of the qualifying educational program.

7. The state board of higher education shall distribute student loan repayment grants from the 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 upon initial application for the program, whichever is less. The maximum total student loan repayment grant amount for which any applicant may qualify is seventeen thousand dollars.

8. 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. An individual who received a skilled workforce scholarship under section 2 of this Act is not eligible for loan forgiveness under this section.

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

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

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

    b. The qualifying educational programs;

    c. The number of applicants, eligible applicants, and applicants receiving awards;

d. The amount of private funding raised; and

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

SECTION 2. A new section to chapter 15-10 of the North Dakota Century Code is created and enacted as follows:

Skilled workforce scholarship program - Skilled workforce scholarship fund - Continuing appropriation - Report.

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

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

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

4. The state board of higher education and the workforce development council shall compile a list of qualifying educational programs annually. Qualifying educational programs must be able to be completed within four semesters or six quarters and must pertain to the professional and technical skills and emerging occupations in high demand in this state, as determined under subsection 3. Qualifying educational programs may include degree or certificate programs.

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

6. To be eligible for a scholarship under this section, a student must be enrolled full time in an eligible program and maintain a 2.5 cumulative grade point average, based on a 4.0 grading system, or maintain academic progress in the program according to program requirements. A student may not receive scholarships under this section for more than the

equivalent of four semesters of full-time enrollment or six quarters of full-time enrollment.

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

8. An individual shall repay the scholarship pursuant to the terms in the individual's scholarship award agreement if the individual fails to maintain a 2.5 cumulative grade point average while enrolled, discontinues attendance before the completion of any semester or quarter for which a scholarship has been received, or fails to reside and work in this state in an eligible high-demand or emerging occupation for at least three years following degree or certificate completion.

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

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

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

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

    b. The qualifying educational programs;

    c. The number of applicants, eligible applicants, and applicants receiving awards;

    d. The amount of private funding raised; and

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

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

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

Renumber accordingly

Date: 4/17/2019

Roll Call Vote: 1

2019 HOUSE CONFERENCE COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. HB 1171 as (re) engrossed

House Industry, Business & Labor Committee

Action Taken
- ☐ **HOUSE accede to Senate Amendments**
- ☐ **HOUSE accede to Senate Amendments and further amend**
- ☐ **SENATE recede from Senate amendments**
- ☒ **SENATE recede from Senate amendments and amend as follows**

☐ **Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Sen Schaible Seconded by: Rep Ruby

Representatives	4/8	4/15	4/17	Yes	No	Senators	4/8	4/15	4/17	Yes	No
Chairman Bosch	X	X	X	X		Sen Schaible	X	X	X	X	
Rep Ruby	X	X	X	X		Sen Davison	X	X	X	X	
Rep P Anderson	X	X	X	X		Sen Oban	X	X	X	X	
Total Rep. Vote						Total Senate Vote					

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier Chairman Bosch Senate Carrier Sen Schaible

LC Number 19.0338 . 05004 of amendment

Title . 07000 of engrossment

Emergency clause added or deleted **Add an emergency clause.**

Statement of purpose of amendment

Adopt amendment .05004

Insert LC: 19.0338.05004
House Carrier: Bosch
Senate Carrier: Schaible

REPORT OF CONFERENCE COMMITTEE

HB 1171, as engrossed: Your conference committee (Sens. Schaible, Davison, Oban and Reps. Bosch, D. Ruby, P. Anderson) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1393-1394, adopt amendments as follows, and place HB 1171 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1393 and 1394 of the House Journal and pages 999-1001 of the Senate Journal and that Engrossed House Bill No. 1171 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact two new sections to chapter 15-10 of the North Dakota Century Code, relating to the development and implementation of a skilled workforce student loan repayment program and a skilled workforce scholarship program; to provide continuing appropriations; to provide for transfers; to provide for reports to the legislative management; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

Skilled workforce student loan repayment program - Skilled workforce student loan repayment program fund - Continuing appropriation - Report.

1. There is created in the state treasury the skilled workforce student loan repayment program fund. The fund consists of moneys transferred into the fund by the legislative assembly, matching funds received, and loan repayments. Moneys in the fund are appropriated to the state board of higher education on a continuing basis for the purpose of distributing student loan repayment grants directly to the Bank of North Dakota or other participating lender to repay outstanding student loan principal balances for eligible applicants.

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

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

4. The state board of higher education and the North Dakota workforce development council shall compile a list of qualifying educational programs annually. Qualifying education programs must pertain to the professional and technical skills and emerging occupations in high demand in this state, as determined under subsection 3. Qualifying educational programs may include degree or certificate programs.

5. Graduates of qualifying educational programs from institutions or entities in this state may apply for the skilled workforce student loan repayment program. To be eligible to receive student loan repayment grants under the program, the applicant:

a. Must have successfully completed a qualifying educational program from an eligible institution of higher education;

b. Must have a student loan with the Bank of North Dakota or other participating lender;

c. Following completion of a qualifying educational program, must reside and work in this state in an eligible high-demand or emerging occupation; and

d. Must have met and shall continue to meet any requirements established by rule.

6. The state board of higher education shall adopt rules to ensure compliance with residency and occupation requirements after completion of the qualifying educational program.

7. The state board of higher education shall distribute student loan repayment grants from the 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 upon initial application for the program, whichever is less. The maximum total student loan repayment grant amount for which any applicant may qualify is seventeen thousand dollars.

8. 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. An individual who received a skilled workforce scholarship under section 2 of this Act is not eligible for loan forgiveness under this section.

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

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

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

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

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

8. An individual shall repay the scholarship pursuant to the terms in the individual's scholarship award agreement if the individual fails to maintain

a 2.5 cumulative grade point average while enrolled, discontinues attendance before the completion of any semester or quarter for which a scholarship has been received, or fails to reside and work in this state in an eligible high-demand or emerging occupation for at least three years following degree or certificate completion.

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

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

Renumber accordingly

Engrossed HB 1171 was placed on the Seventh order of business on the calendar.

2019 TESTIMONY

HB 1171

Attachment 1
Jan 16, 2019
Page 1

Testimony for Introduction of HB 1171: House IBL

Mr. Chairman, members of the committee, for the record I am Representative Jake Blum, serving District 42 in the Northern end of Grand Forks. Thank you for the opportunity to be before you all today to introduce House Bill 1171.

As we're all aware, North Dakota continues to face challenges stemming from our considerable workforce shortage, and our state's economy is slowing down as a consequence. We face a technical skills gap, and available jobs in these fields are simply not being filled. In essence, this is not a job shortage: it's a people shortage.

Facing these realities, House Bill 1171 would go a long way toward making North Dakota far more competitive in attracting students entering skilled technical fields and incenting them to stay in our state, bolstering all of our shared economic outcomes.

HB 1171 would create a scholarship program for students pursuing in-demand technical careers. The North Dakota Workforce Development Council in conjunction with Job Service ND will be using available labor market information in order to determine which careers meet the "in demand" standard, thereby ensuring the right and necessary jobs are being filled.

The proposed skilled workforce student grant fund would include 2 years of tuition funding per student and a $10 million total sum transferred from the Bank of North Dakota. The North Dakota University System and Workforce Development Council will also seek matching funds from private organizations and the business community, which would be deposited in the grant program fund accordingly.

In order to ~~for~~ a student to maintain eligibility for this program, an individual must maintain a cumulative grade point average of 2.0, maintain adequate progress toward their degree or certificate as determined by the Bank of North Dakota and remain and work here in this state within a high-demand or emerging occupation for a minimum of three years.

House Bill 1171 is simply good policy. It's in line with a best-practices approach to alleviate our workforce shortage issue. It's also reflective of the competition we face. Twenty other states have similar programs competing for our students, including our own border states: South Dakota, Minnesota and Montana. This legislation serves as a way to recruit out of state students but more importantly, a way to invest in, and retain our own North Dakota kids.

There is an emergency clause on this bill, which is due to the fact that, if passed, this grant program fund could be implemented and working as soon as fall of this year.

This bill enjoys the broad support of our state's business community, and you will be hearing supporting testimony from several of them this morning. There are a myriad of private partners from within and out of the state that are interested in addressing our workforce challenges and partnering with the state to make this fund a reality. Moving this bill through committee, as well as passage-on the house floor will only increase the level of enthusiasm we are already hearing from the private sector, and will reaffirm the state's commitment to address this workforce shortage, and keeping our youth here in-state. The private sector is ready to commit, and we need to demonstrate that we are ready to move forward and partner with them to address our challenges.

Recognizing that, I would prefer you to defer your questions to those stakeholders as I anticipate many of your questions will be addressed in the testimony to come. If necessary, I can return to the committee at a later time to address additional questions as requested.

With that: Mr. Chairman, members of the committee, I thank you for your time this morning and your consideration of House Bill 1171, and I will stand for any questions.

Attachment 2
Page 1

Greater North Dakota Chamber

Greater North Dakota Chamber
HB 1171
Industry, Business and Labor
Representative Keiser - Chair
January 16, 2019

Mr. Chairman and members of the Industry, Business and Labor committee, my name is Matt Gardner and I am here today representing the Greater North Dakota Chamber. The Greater North Dakota Chamber is the largest statewide business advocacy organization in the state and we stand in support of HB 1171 and ask for a do pass.

The workforce challenges in the state are of great concern to our members and through our policy development process workforce arose as likely our number one issue facing business. Although there is not a silver bullet to fix the workforce challenges in North Dakota, the bill before you is a significant step in the right direction. Our employers are not only competing among each other for a qualified workforce but other states. The three states that border North Dakota (Montana, South Dakota and Minnesota) have similar programs that compete for North Dakota students and are essentially attracting our workforce to live and work in their states. North Dakota needs a program that will attract youth to our programs and fill North Dakota jobs but more importantly invest in our own youth and retain them here to live and work in our great state.

This bill will:

- Help fill the skills gap by driving students to in demand, high paying career fields.
- Attract and retain future workers
- Improve access and affordability to education

GNDC's opinion is this bill is a workforce bill. We are investing in our future as a state through building up our youth and those who would like to live and work in North Dakota. On behalf of GNDC I urge a do pass on HB 1171.

Champions for Business

PO Box 2639
Bismarck, ND 58502

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F: 701-222-1611

www.ndchamber.com

HB 1171

Attachment 3
Jan 16, 2019
Page 1

January 15, 2019

Chairman Keiser and members of the Industry, Business and Labor Committee:

My name is Guy Moos, and I am the president of Baker Boy, Inc., a premium baked goods manufacturer in Dickinson, North Dakota. While I am unable to attend Wednesday's hearing, I am writing to express my strong support of House Bill No. 1171 and the creation of a skilled workforce student grant program.

When we speak about our state's growing Legacy Fund, we should remember that it is important to use those funds in a way that help plant new seeds of growth for our state. What better way to use these funds than as an incentive to keep our best and brightest young minds here in North Dakota working at skilled and in-demand jobs.

At Baker Boy, we have experienced more than six decades of growth and innovation. We may have started as a small storefront bakery, but today many of the 210 positions we offer involve skilled labor, and also meet the criteria set by Job Service of North Dakota as an In-Demand Occupation.

If the skilled workforce student grant program were implemented, Baker Boy would be among those businesses willing to use matching dollars to sponsor students we believe have the skills and convictions that fit our mission.

In the past two years, Baker Boy has experienced challenges finding skilled maintenance technicians, talented over-the-road semi-truck drivers and key managers who meet our qualifications.

We also have several experienced staff in our skilled trade positions who'll soon be nearing retirement age. A skilled workforce student grant program will play an important part in helping Baker Boy find, train and retain qualified young leaders who we hope will stay with the company and eventually move into the leadership-level positions essential to our continued success.

With the workforce shortage in western North Dakota and in our state as a whole, attracting and retaining a viable workforce remains challenging. This program would help Baker Boy remain competitive in the western North Dakota job market, where skilled employees are highly sought after. It also incentivizes North Dakota students to stay in the state, allowing us to keep some of our most talented people right here at home where we need them the most.

bakerboy.com

170 GTA Drive Dickinson, North Dakota 58601 > 701 225 4444 > 800 437 2008

HB 1171

Attachment 3
Jan 16, 2019
Page 2

Again, I believe creating skilled workforce student grant program is one of the many wonderful ways our Legislature can use the state's growing Legacy Fund to create a long and lasting positive impact for our state.

Thank you for allowing me to voice my support of HB 1171 and for your support of the hard work and employment challenges faced by North Dakota manufacturers and business community.

Thank you,

Guy M. Moos

Guy Moos
President, Baker Boy, Inc.
170 GTA Drive
Dickinson, ND 58601

Attachment 4
Page 1

ECONOMIC DEVELOPMENT ASSOCIATION OF NORTH DAKOTA
EDND
PO BOX 1091 • BISMARCK, NORTH DAKOTA 58502

Testimony of Matt Marshall
Economic Development Association of North Dakota
In Support of HB 1171
January 16, 2019

Chairman Keiser and members of the House Industry Business and Labor Committee:

My name is Matt Marshall and I am the Economic Development Director for the city of West Fargo and serve on the Economic Development Association of North Dakota (EDND) board of directors. On behalf of EDND, I stand before you in support of HB 1171.

EDND represents more than 80 large and small and rural and urban economic development organizations on the front line of growing businesses and communities in North Dakota. The primary purpose of the organization is to promote the creation of new wealth throughout North Dakota to develop more vibrant communities and improve quality of life.

Workforce availability is the most significant challenge facing North Dakota businesses, limiting the growth potential of the state's economy. EDND supports the development of workforce attraction, development and retention strategies that address the needs of the state's businesses and industries. As of October 2018, North Dakota had an unemployment rate of 2.8 percent, which can make it difficult for businesses to find qualified candidates.

Students educated within the state could be North Dakota's greatest asset for workforce recruitment. Department of Public Instruction statistics for 2016-2017 show that 37 percent of high school graduates were not pursuing any type of postsecondary education following graduation. A grant program could help increase skill levels and

wage-earning ability for many of our state's young people while providing business and industry with much needed workers.

This approach has been successful in North Dakota on a regional level but should be opened up to attract and retain additional students statewide. A good example is the Williston State College (WSC) Regional County Graduate Scholarship program. Eligibility has now expanded to include high school graduates and GED recipients from nine counties in western North Dakota and eastern Montana, and the program has been a key factor toward increased enrollment. Young professionals that otherwise would have never thought of Williston are now choosing to attend WSC and gaining exposure to the community.

Other states, including South Dakota, Tennessee, Montana, Oregon, California, Nevada, Minnesota, New York, Arkansas, Kentucky, Delaware, and Rhode Island, have all identified this as a key to workforce attraction and have implemented programs similar to what has been outlined in this bill. South Dakota's Build Dakota Scholarship Fund is especially a threat to our workforce as it may attract North Dakota students who would have otherwise attended North Dakota State College of Science and entered into a high-demand career within North Dakota.

Washington state has had a scholarship program for undergraduates pursuing high demand STEM and healthcare degrees since 2013 and has raised nearly $200 million in private contributions and state match dollars. Their legislature studied the program outcomes in 2017 and found it to be effective in keeping talent in their state. Between 2013 and 2016, on average, 71 percent of participating graduates were employed within their field of study and 88 percent of these people stayed in the state.

The North Dakota Workforce Development Council also recommended providing scholarships to students entering high-demand technical degree programs in its recent report. We believe the program outlined in this bill, or a similar program, would encourage North Dakota's youth to stay within the state and would attract students from out-of-state to be educated and plant roots here.

Thank you for the opportunity to address the committee and express support for this bill and for your continued commitment to working together to address North Dakota's workforce needs. I urge a do pass on HB 1171.

Support of HB1171

(provided 1-16-19)

Attachment 5
Jan 16, 2019
Page 1

Why does North Dakota need a Skilled Workforce Student Grant Program?

Meet Workforce Needs

To better retain and align graduates with workforce demands many states have developed reduced or no-cost tuition programs at 2-year (community and technical colleges).

***North Dakota is in a workforce crisis*:**

- 13,300+ job openings are reported statewide, with 23 of 53 North Dakota counties reporting unemployed-per-opening rates of less than 1, which indicates more job openings than resident labor supply[1].
- "Middle-skill" jobs requiring education beyond high school but not a four-year degree, make up the largest part of America's labor market. In North Dakota, these careers account for 60% of the labor market[2], and employers are unable to find enough sufficiently trained workers to fill these jobs.

The Skilled Workforce Student Grant Program would help North Dakota to close its workforce shortage gap.

Student Affordability & Cost Efficiency

This program could improve all students' access to education and increase affordability for all students and families. This program is not structured like typical 'scholarship' programs – students are ***not*** chosen primarily on merit or income status – but rather are ***selected based on chosen career path and willingness to stay in-state***. The Skilled Workforce Student Grant Program would supplement and complement North Dakota's robust student financial aid programs by providing 'last dollar' funding, meaning that a student must exhaust *all other sources of financial aid* (including federal Pell Grants and other state programs), ***before*** the grant is awarded.

Workforce Competition

More than 20 states/municipalities have adopted or are currently piloting tuition-free/promise programs including states surrounding North Dakota (Minnesota, South Dakota, and Montana). The South Dakota "Build Dakota" Scholarship is unique in that it is available ***to both residents and non-residents***. Historically, about 70% of students that enroll at NDSCS graduate from a North Dakota high school; the majority of the other 30% comes from neighboring states (Minnesota, South Dakota, Montana). Since the inception of the surrounding states' programs there has been a decline in South Dakota, Minnesota, and Montana students attending NDSCS.

Attract & Retain Graduates

Students that come from other states often choose to live and work in North Dakota following graduation; in 2018, 30% of students from outside North Dakota stayed in North Dakota following graduation from NDSCS.[3] The Minnesota COSP and South Dakota's Build Dakota programs have the potential to reduce the number of entry-level employees entering the North Dakota workforce through NDSCS.

Investment in the Future

The costs associated with other states' no-cost (promise) tuition programs vary based on the characteristics of each program. The academic programs eligible for the Skilled Workforce Student Grant Program would be determined based on workforce needs. Students would be eligible to receive up to $8,500 for each year (must be enrolled full-time), up to a maximum of $17,000.

---

[1] https://www.ndworkforceintelligence.com/admin/gsipub/htmlarea/uploads/lmi_ojornd.pdf
[2] https://m.nationalskillscoalition.org/resources/publications/2017-middle-skills-fact-sheets/file/North-Dakota-MiddleSkills.pdf
[3] 2018 NDSCS Placement Report

Improve ND Citizens' Socioeconomic Position

HB 1171

Attachment 5
Page 2
Jan 16, 2019

Citizens without a college degree or technical certificate are less likely to earn a family-sustaining wage, and more likely to require public assistance, and social services.

Enhance Educational Outcomes

It is known that financial challenges are one of the largest non-academic barriers to students' success. States that have implemented these programs have experienced an increase in student persistence, graduation, and enrollment.[4]

TENNESSEE Promise

16% increase in community college **retention rate**

The Kalamazoo Promise

33% increase in college **completion rate**

Oregon Promise

13% increase in community college **enrollments**

John Richman, Ph.D.
President
John.Richman@ndscs.edu
701.671.2221

NDSCS THE SCIENCE OF SUCCESS.
North Dakota State College of Science

[4] http://collegepromise.org/wp-content/uploads/2018/12/CPC-AnnualReport-Web-Pages-2.pdf

Attachment 6
Jan 16, 2019
Page 1

PO Box 2599
Bismarck, ND 58502
701.355.4458
office@technd.org
www.technd.org

Testimony of Mason Sisk
Assistant Executive Director
Technology Council of North Dakota

In Support of HB 1171
January 16, 2019

Chairman Keiser and members of the House Industry Business and Labor Committee:

My name is Mason Sisk, assistant executive director of the Technology Council of North Dakota (TechND). I am here today to voice support of HB 1171.

TechND, formerly known as the Information Technology Council of North Dakota (ITCND), was created in 2000 by North Dakota business, government and education leaders who recognized the need to strengthen the state's information technology infrastructure and reposition the state as a national leader in IT. The organization has since expanded its focus to include members from the technology industry as a whole. TechND has nearly 70 member organizations, with representatives from both the public and private sector.

North Dakota's technology industry is strong and growing. North Dakota has seen an increase of more than 27 percent in technology occupations over the past decade and is projecting a 20 percent increase for the next 10 years. With the growth of the industry, a shortage of a skilled workforce has been identified as one of the top challenges. Development of a high-quality workforce is vital to the future growth of the state's technology industry.

North Dakota currently has over 900 open computing jobs, which is 3.3 times the average demand rate. Yet, North Dakota had only 117 computer science graduates in 2015. With two-year cybersecurity and computing certificates available through North Dakota institutions, the scholarship program outlined in this bill would encourage more students to pursue the computer science and cybersecurity fields and help address the workforce challenge in our industry.

The grant program outlined in this bill has the potential to impact the number on students pursuing degrees in high-demand career areas, including technology. Therefore, we'd urge your favorable consideration of HB 1171.

Attachment
Jan 30, 2019

19.0338.04003
Title.

Prepared by the Legislative Council staff for
Representative Bosch
January 29, 2019

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1171

Page 1, line 3, replace "grant" with "loan repayment"

Page 1, line 8, replace "**grant**" with "**loan repayment**"

Page 1, line 10, replace "grant" with "loan repayment"

Page 1, line 13, remove "The grant amount must convert to a student loan if the"

Page 1, remove line 14

Page 1, line 21, remove "An eligible individual may receive a grant in an amount up to eight thousand five"

Page 1, remove lines 22 through 24

Page 2, replace lines 1 through 17 with "Graduates of qualifying educational programs from institutions or entities in this state may apply for the skilled workforce student loan repayment program. To be eligible to receive student loan repayment grants under the program, the applicant:

a. Must have successfully completed a qualifying educational program from a Bank of North Dakota-approved institution or entity after January 1, 2019;

b. Must have maintained at least a 2.75 grade point average, based on a 4.0 grading system;

c. Must have a student loan with the Bank of North Dakota or other participating lender;

d. Following completion of a qualifying educational program must remain and work in this state in an eligible high-demand or emerging occupation; and

e. Must have met and shall continue to meet any requirements established by rule.

5. The Bank of North Dakota shall adopt rules to ensure compliance with residency and occupation requirements after completion of the qualifying educational program.

6. The Bank of North Dakota shall distribute student loan repayment grants from the 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.

HB 1171

Attachment 1
Jan 30, 2019

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."

Page 2, line 20, replace "grant" with "loan repayment"

Page 2, line 21, replace "grant" with "loan repayment"

Page 2, line 24, replace "**grant**" with "**loan repayment**"

Page 2, line 26, replace "grant" with "loan repayment"

Page 2, line 27, replace the first underscored comma with "and"

Page 2, line 27, remove ", and loan"

Page 2, line 28, remove "repayments to the fund"

Page 2, line 30, replace "**GRANT**" with "**LOAN REPAYMENT PROGRAM**"

Page 2, line 30, replace "$10,000,000" with "$5,000,000"

Page 3, line 1, replace "grant" with "loan repayment program"

Renumber accordingly

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NORTH DAKOTA HOUSE OF REPRESENTATIVES

STATE CAPITOL
600 EAST BOULEVARD
BISMARCK, ND 58505-0360

Representative Jim Grueneich
District 12
3051 83 1/2 Avenue SE
Jamestown, ND 58401-9600

R: 701-952-0579
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jgrueneich@nd.gov

COMMITTEES:
Finance and Taxation
Transportation

March 11, 2019

Chairman Schaible and members of the education committee for the record my name is Jim Grueneich I represent District 12/Jamestown.

The bill I bring before you in HB1171, is designed to address the workforce shortage in the hopes to attract and retain students for professional or technical skills in high demand career fields.

The amount is 5 million from BND funds to be matched by private funds.

Each student would be eligible for 5675.00 per year not to exceed 17000.00 total.

The funding would be set up as a loan, and would be paid back over a 3 year period after graduation to insure that the student would fulfill there obligation.

The bill would also include certification programs such as truck driving or other critical needs areas.

I would stand for any questions

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	HB 1171	SB 2039
Purpose	Attract and retain students for professional or technical skills in high demand	Same
Amount (From BND Capital)	$5 Million	$10 Million
Per Student	Annual $5,675	4 Semesters full time
Total	$17,000	Tuition, fees, books, supplies
When Received	After graduation	At enrollment
Applied	Student loan	Scholarship
Criteria	2.75 GPA	2.5 GPA
Matching Contribution	1.1 for each dollar raised for private sector	Same
Claw back		Falls below 2.5 GPA, discontinues enrollment, leaves the state with 3 years to graduate
Administrator	Bank of North Dakota	Higher Ed

Considerations:

- Student perspective
- Recruitments into high need programs
- Student loan debt taken out / Eligibility
- 2039 provides a better basis for success for program intent

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NORTH DAKOTA
UNIVERSITY SYSTEM
ACCESS. INNOVATION. EXCELLENCE.

HB1171

Senate Education Committee
March 11, 2019

Lisa A. Johnson, Interim Vice Chancellor for Academic/Student Affairs, NDUS
701.328.4143 | lisa.a.johnson@ndus.edu

Chair Schaible and members of the Senate Education Committee: My name is Lisa Johnson, and I serve as the Interim Vice Chancellor for Academic and Student Affairs of the North Dakota University System. I am here to provide supportive testimony related to House Bill 1171.

The goals of this proposed bill are well aligned with the recommendations contained in the *North Dakota Workforce Development Needs Assessment and Gap Analysis* originally prepared in 2017 by the Legislative Workforce Education Advisory Council. One year later, those findings were similarly affirmed by recommendations contained in the *North Dakota Workforce Development Council Summary Report* citing a "middle skills gap" in the state—or approximately 60% of the state's labor market. The report further noted that the state "lags other states in identifying and addressing the 'technical skills gap'"….and further encouraged the "structural alignment of existing resources with additional funding and support of public/private partnerships."

Members of the Committee, much like the aims associated with SB2039 to support a skilled workforce in North Dakota, HB1171 attempts to do just that but by way of a loan forgiveness program. The NDUS two-year colleges have a unanimous preference for a scholarship program over that of a loan forgiveness program. For one, it is much easier for a program recruiter to promote a scholarship over that of a loan forgiveness program. The immediate financial benefits of a scholarship program are, by far, much easier to convey to students and parents. It is much more difficult and somewhat counter-intuitive to encourage students to take on student debt by way of a student loan in order to participate in a loan forgiveness program as far as five years down the road.

Regardless of whether the bill advances as a loan forgiveness program or scholarship program, the NDUS further believes that financial incentives, like this, encourages an increase in both the completion rates and retention of students in North Dakota in a nationally competitive work environment. The proposed bill supports many elements of the Governor's Main Street Initiative and the Governor's Nursing Shortage Task Force to attract and retain students not only in nursing, but also many "high demand" jobs in both rural and non-rural communities. The NDUS is committed to continued work with Job Service of North Dakota, the North Dakota Commerce Department and the Workforce Development Council to review and modify the parameters that produce the "in demand" occupations list on a regular basis. It is our intent to continue utilization of that process to identify a list of high demand fields on an annual basis.

In keeping with the recommendations and feedback from NDUS community colleges, there are a significant number of draft recommendations to this bill, HB 1171, that are intended to produce

NORTH DAKOTA
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an outcome similar to that of SB2039. Those edits are attached to this testimony for your consideration.

Among the proposed edits, you'll see mark-up language clarifying that funding is intended for associate level programs or below; applicable to accredited institutions/programs in North Dakota—public, private, or tribal; covers the costs of tuition, fees, books, and supplies for qualifying educational programs; requires students to maintain a minimum cumulative grade point average; stipulates a limited timeframe for completion and a requirement to live and work in North Dakota for a period of three years following degree or certificate completion. Students who do not meet these requirements will have the scholarship converted to a loan through the Bank of North Dakota.

This concludes my testimony in support of HB1171, and I will stand for questions or comments from the Committee.

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19.0338.05000

Sixty-sixth
Legislative Assembly
of North Dakota

FIRST ENGROSSMENT ENGROSSED

HOUSE BILL NO.1171

Introduced by

Representatives Grueneich, Blum, Dockter, Headland, Howe, Mitskog, Pollert, Satrom

Senators Cook, Wanzek

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

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

Skilled workforce ~~student loan repayment~~scholarship program - Development and implementation.

1. The ~~Bank of~~ North Dakota state board of higher education shall adopt rules to develop, implement, promote, and administer a skilled workforce ~~student loan repayment~~scholarship program in conjunction with the ~~North Dakota university system~~ Bank of North Dakota and the North Dakota workforce development council with the intent of attracting and retaining individuals for professional or technical skills in high demand in this state.

2. The North Dakota workforce development council in cooperation with job service North Dakota shall use available labor market information to determine annually the eligible high demand and emerging occupations in this state.

~~3.~~ The North Dakota university system and the North Dakota workforce development council shall compile a list of qualifying educational programs ~~by April first of each year~~annually. Qualifying educational programs may include degree, ~~or certificate programs~~certificate and non-degree certificate programs at the associate level or below

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at qualifying institutions. Qualifying institutions of higher education include those under the control of the state board of higher education, North Dakota nonpublic accredited institutions of higher education, and tribally controlled community colleges.

~~2.~~ 4. ~~Graduates of qualifying educational programs from institutions or entities in this state may apply for the skilled workforce student loan repayment program.~~

Individuals enrolled in a qualifying educational program in this state may apply for a scholarship under this section. Scholarships are limited to the amount charged each quarter or semester by the educational institution for the tuition, fees, books, and supplies required for the qualifying educational program and is intended to be a last dollar scholarship after other scholarships and grants are applied.

~~c.~~ ~~21.~~ To be eligible ~~to~~ ~~receive student loan repayment grants~~ for payment ~~under the program, the applicant~~ recipient must:

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a. ~~Must have successfully completed a qualifying educational program from a Bank of North Dakota-approved institution or entity after January 1, 2019:~~ Complete a scholarship award agreement which includes a requirement to reside and work in the state in an eligible or emerging high demand occupation for at least three years following completion of a qualifying education program.

b. ~~Must have m~~Maintain~~ed~~ at least a 2.75 college grade point average~~.~~ based on a 4.0 grading system;

~~c. Must have a student loan with the Bank of North Dakota or other participating lender;~~

~~d. Following completion of a qualifying educational program must remain and work in this state in an eligible high demand or emerging occupation; and~~

e. ~~Must h~~Have met and shall continue to meet any requirements established by ~~rule~~procedure.

f. Repay the scholarship pursuant to the terms in the individual s scholarship awared agreement if the individual fails to maintain a 2.75 cumulative college grade point average, discontinues attendance before the completion of any semester or quarter for which a scholarship has been received, or fails to reside and work in this state for at least three years following degree or certificate completion.

~~5. The Bank of North Dakota shall adopt rules to ensure compliance with residency and occupation requirements after completion of the qualifying educational program.~~

6. Each semester or quarter t~~T~~he Bank of North Dakota shall distribute ~~student loan repayment grants~~scholarship funds from the skilled workforce ~~student loan repayment~~ scholarship program ~~fund d~~irectly to institutions~~ 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~~scholarship amount ~~for which~~ an applicant may ~~qualify~~ receive 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~~scholarship amount ~~repayment grant amount for which~~ any applicant may ~~qualify~~receive 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.~~

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8. The skilled workforce ~~student loan repayment~~scholarship 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, which may include privately funded institutional scholarships.

9. The North Dakota university system, the Bank of North Dakota and the ~~in cooperation with~~ the North Dakota workforce development council shall seek private matching funds for the skilled workforce ~~student loan repayment~~scholarship program. ~~Any m~~Matching funds received must be deposited in the skilled workforce ~~student loan repayment program~~ scholarship program fund.

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

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

The skilled workforce ~~student loan repayment~~scholarship 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~~SCHOLARSHIP 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~~scholarship 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.

Support of HB1171

provided to Senate Education Committee 3-11-19

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Why does North Dakota need a Skilled Workforce Scholarship Program?

Meet Workforce Needs

To better retain and align graduates with workforce demands many states have developed reduced or no-cost tuition programs at 2-year (community and technical colleges).

***North Dakota is in a workforce crisis*:**

- 13,300+ job openings are reported statewide, with 23 of 53 North Dakota counties reporting unemployed-per-opening rates of less than 1, which indicates more job openings than resident labor supply[1].
- "Middle-skill" jobs requiring education beyond high school but not a four-year degree, make up the largest part of America's labor market. In North Dakota, these careers account for 60% of the labor market[2], and employers are unable to find enough sufficiently trained workers to fill these jobs.

The Skilled Workforce Scholarship Program would help North Dakota to close its workforce shortage gap.

Student Affordability & Cost Efficiency

This program could improve all students' access to education and increase affordability for all students and families. This program is not structured like typical 'scholarship' programs – students are ***not*** chosen primarily on merit or income status – but rather are ***selected based on chosen career path and willingness to stay in-state***. The Skilled Workforce Scholarship Program would supplement and complement North Dakota's robust student financial aid programs by providing 'last dollar' funding, meaning that a student must exhaust *all other sources of financial aid* (including federal Pell Grants and other state programs), ***before*** the scholarship is awarded.

Workforce Competition

More than 20 states/municipalities have adopted or are currently piloting tuition-free/promise programs including states surrounding North Dakota (Minnesota, South Dakota, and Montana). The South Dakota "Build Dakota" Scholarship is unique in that it is available ***to both residents and non-residents***. Historically, about 70% of students that enroll at NDSCS graduate from a North Dakota high school; the majority of the other 30% comes from neighboring states (Minnesota, South Dakota, Montana). Since the inception of the surrounding states' programs there has been a decline in South Dakota, Minnesota, and Montana students attending NDSCS.

Attract & Retain Graduates

Students that come from other states often choose to live and work in North Dakota following graduation; in 2018, 30% of students from outside North Dakota stayed in North Dakota following graduation from NDSCS.[3] The Minnesota COSP and South Dakota's Build Dakota programs have the potential to reduce the number of entry-level employees entering the North Dakota workforce through NDSCS.

Investment in the Future

The costs associated with other states' no-cost (promise) tuition programs vary based on the characteristics of each program. The academic programs eligible for the Skilled Workforce Scholarship Program would be determined based on workforce needs. Students would be eligible to receive up to $5,667 annually (must be enrolled full-time), up to a maximum of $17,000.

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[1] https://www.ndworkforceintelligence.com/admin/gsipub/htmlarea/uploads/lmi_ojornd.pdf

[2] https://m.nationalskillscoalition.org/resources/publications/2017-middle-skills-fact-sheets/file/North-Dakota-MiddleSkills.pdf

[3] 2018 NDSCS Placement Report

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Improve ND Citizens' Socioeconomic Position

Citizens without a college degree or technical certificate are less likely to earn a family-sustaining wage, and more likely to require public assistance, and social services. A high school education is no longer sufficient for advancement in the fast-growing, knowledge economy of the 21st century.[4]

Enhance Educational Outcomes

It is known that financial challenges are one of the largest non-academic barriers to students' success. States that have implemented these programs have experienced an increase in student persistence, graduation, and enrollment.[5]

TENNESSEE Promise

16% increase in community college **retention rate**

The Kalamazoo Promise

33% increase in college **completion rate**

Oregon Promise

13% increase in community college **enrollments**

NDSCS THE SCIENCE OF SUCCESS. North Dakota State College of Science

John Richman, Ph.D.
President
John.Richman@ndscs.edu
701.671.2221

Testimony Provided by: **Jane Vangsness Frisch, Ph.D.** – *Vice President for Student Affairs*

[4] http://collegepromise.org/wp-content/uploads/2018/08/Promise-with-A-Purpose.pdf
[5] http://collegepromise.org/wp-content/uploads/2018/12/CPC-AnnualReport-Web-Pages-2.pdf

NORTH DAKOTA STUDENT ASSOCIATION | THE VOICE OF THE STUDENTS

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North Dakota Student Association

Testimony for HB 1171
Prepared by Cambree W. Smith, Vice President
Monday, March 10, 2019

Chairman Schiable, members of the committee, for the record my name is Cambree Smith and I serve as the Vice President of the North Dakota Student Association, a statewide organization that represents the voice of North Dakota's 45,000 public college and university students. This testimony serves to support House Bill 1171.

House Bill 1171 would allow students, pursuing high-demand careers in the state of North Dakota, to become a part of a loan repayment program in which they could receive up to $5,667 over the course of three years. This allows students to begin their life post-graduation, without the grueling stresses of student loan repayments.

Recent graduates are faced with many obstacles and concerns. Graduates must decide what lies ahead in their future: where they will live, where they will work, how to pay off their debt, along with many personal life decisions. At a time when our state is facing economic downfall as a result of low oil and agricultural commodity prices, North Dakota and students face even more problems. For students that means fewer degree offerings, professors leaving, and a less competitive academic playing field all around. For North Dakota that means at least 15,000 jobs remaining unfilled, with 75-percent requiring less than a four-year degree.

When we think of students, we often think of schooling being their fulltime job; however, students are often burdened with the same costs associated with being an adult like any one else in this room. They experience the stresses of paying the cost of living: rent, utilities, food, the expenses that go along with owing a car, and much more. Some nontraditional students may pay an additional cost associated with having a family, like childcare or the medical costs of a family member that has fallen ill. How can a student pay for all these costs along with tuitions, books, and fees? For many that means being a full-time student and full-time employee, but that still does not cut it when it comes to paying for tuition—which means the ever so dreaded student loans. This also means their full attention is not going towards their education—where it should be. For those reasons above and for the many unexpected situations that arise, many students drop out of school—some even a year, semester, or few months prior to graduation. With this program, students will be able to complete their schooling without the stress of debt holding them back and fill the in-demand positions North Dakota desperately needs filled.

Through this program, this list of burdens may lessen for students and the state of North Dakota. This Loan repayment program will not only benefit students by alleviating financial burdens but will benefit the state in a multitude of ways as well. The first, and most obvious, is by filing in demand positions across the state of North Dakota. The second is a more lasting effect, by keeping students in the state of North Dakota for three years they will create a sense of community, and, thus, be more likely to stay in the state after their commitment is fulfilled. This will benefit the state in many sectors.

For these reasons, the North Dakota Students Associations spent extensive time over the course of two General Assembly meetings, to formally approve a resolution deeming it critical to develop a skilled workforce loan repayment program—for the benefit of both the state and students. As such, we urge you to support the creation of a workforce loan repayment program as well. Thank you for listening and your time today.

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ECONOMIC DEVELOPMENT ASSOCIATION OF NORTH DAKOTA
EDND
PO BOX 1091 • BISMARCK, NORTH DAKOTA 58502

Testimony of Ellen Huber
Economic Development Association of North Dakota
In Support of HB 1171
March 11, 2019

Chairman Schaible and members of the Senate Education Committee:

I'm Ellen Huber, business development director for the City of Mandan and president of the Economic Development Association of North Dakota (EDND). On behalf of EDND, I stand before you in support of HB 1171.

EDND represents more than 80 large and small and rural and urban economic development organizations on the front line of growing businesses and communities in North Dakota. The primary purpose of the organization is to promote the creation of new wealth throughout North Dakota to develop more vibrant communities and improve quality of life.

Workforce availability is the most significant challenge facing North Dakota businesses, limiting the growth potential of the state's economy. EDND supports the development of workforce attraction, development and retention strategies that address the needs of the state's businesses and industries. As of October 2018, North Dakota had an unemployment rate of 2.8 percent, which can make it difficult for businesses to find qualified candidates.

Students educated within the state could be North Dakota's greatest asset for workforce recruitment. Department of Public Instruction statistics for 2016-2017 show that 37 percent of high school graduates were not pursuing any type of postsecondary education following graduation. A loan repayment program could help increase skill levels and wage-earning ability for many of our state's young people while providing business and industry with much needed workers.

This approach has been successful in North Dakota on a regional level but should be opened up to attract and retain additional students statewide. A good example is the Williston State College (WSC) Regional County Graduate Scholarship program. Eligibility has now expanded to include high school graduates and GED recipients from nine counties in western North Dakota and eastern Montana, and the program has been a key factor toward increased enrollment. Young professionals that otherwise would have never thought of Williston are now choosing to attend WSC and gaining exposure to the community.

Other states, including South Dakota, Tennessee, Montana, Oregon, California, Nevada, Minnesota, New York, Arkansas, Kentucky, Delaware, and Rhode Island, have all identified this as a key to workforce attraction and have implemented programs similar to what was originally outlined in this bill. South Dakota's Build Dakota Scholarship Fund is especially a threat to our workforce as it may attract North Dakota students who would have otherwise attended North Dakota State College of Science and entered into a high-demand career within North Dakota.

Washington state has had a scholarship program for undergraduates pursuing high demand STEM and healthcare degrees since 2013 and has raised nearly $200 million in private contributions and state match dollars. Their legislature studied the program outcomes in 2017 and found it to be effective in keeping talent in their state. Between 2013 and 2016, on average, 71 percent of participating graduates were employed within their field of study and 88 percent of these people stayed in the state.

The North Dakota Workforce Development Council also recommended providing scholarships to students entering high-demand technical degree programs in its recent report. We believe the program outlined in this bill, or a similar program, would encourage North Dakota's youth to stay within the state and would attract students from out-of-state to be educated and plant roots here.

Although EDND supports the loan repayment program outlined in this bill, we feel the grant program proposed in the bill's original draft would be a more effective way to achieve the goal of attracting students to pursue degrees in high-demand career fields. The loan repayment program would encourage students to take on debt, which may

deter students from taking advantage of the program and would make it less competitive against other states' programs.

Thank you for the opportunity to address the committee and express support for this bill and for your continued commitment to working together to address North Dakota's workforce needs. I urge a do pass on HB 1171.

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pg 1 of 2

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Testimony of Mason Sisk
Assistant Executive Director
Technology Council of North Dakota

In Support of HB 1171
March 11, 2019

Chairman Schaible and members of the Senate Education Committee:

My name is Mason Sisk, assistant executive director of the Technology Council of North Dakota (TechND). I am here today to voice support of HB 1171.

TechND, formerly known as the Information Technology Council of North Dakota (ITCND), was created in 2000 by North Dakota business, government and education leaders who recognized the need to strengthen the state's information technology infrastructure and reposition the state as a national leader in IT. The organization has since expanded its focus to include members from the technology industry as a whole. TechND has nearly 70 member organizations, with representatives from both the public and private sector.

North Dakota's technology industry is strong and growing. North Dakota has seen an increase of more than 27 percent in technology occupations over the past decade and is projecting a 20 percent increase for the next 10 years. With the growth of the industry, a shortage of a skilled workforce has been identified as one of the top challenges. Development of a high-quality workforce is vital to the future growth of the state's technology industry.

North Dakota currently has over 900 open computing jobs, which is 3.3 times the average demand rate. Yet, North Dakota had only 117 computer science graduates in 2015. With two-year cybersecurity and computing certificates available through North Dakota institutions, the scholarship program outlined in this bill would encourage more students to pursue the computer science and cybersecurity fields and help address the workforce challenge in our industry.

TechND supports the loan repayment program outlined in this bill, as it has the potential to impact the number of students pursuing degrees in high-demand career areas, including technology. However, we would prefer to see the bill changed back to its original form. The grant program originally outlined in the bill has more potential to attract students than a loan repayment program. Thank you for the opportunity to speak with you today and for your favorable consideration of HB 1171.

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GNDC
Greater North Dakota Chamber

Greater North Dakota Chamber
HB 1171
Senate Education Committee
Senator Schaible - Chair
March 11, 2019

Mr. Chairman and members of the Senate Education Committee, my name is Matt Gardner and I am here today representing the Greater North Dakota Chamber. The Greater North Dakota Chamber is the largest statewide business advocacy organization in the state and we are the state affiliate for NAM (National Association of Manufacturers). We stand in support of HB 1171 and ask for a do pass.

The workforce challenges in the state are of great concern to our members and through our policy development process, workforce rose as likely our number one issue facing business. Although there is not a silver bullet to fix the workforce challenges in North Dakota, the bill before you is a significant step in the right direction. Our employers are not only competing among each other for a qualified workforce but other states. The three states that border North Dakota (Montana, South Dakota and Minnesota) have similar programs that compete for North Dakota students and are essentially attracting our workforce to live and work in their states. North Dakota needs a program that will attract youth to our programs and fill North Dakota jobs but more importantly invest in our own youth and retain them here to live and work in our great state.

This bill will:

- Help fill the skills gap by driving students to in demand, high paying career fields.
- Attract and retain future workers
- Improve access and affordability to education

Changes:

- The bill was amended to a loan forgiveness program. GNDC strongly feels this program would be better served in its original version as a scholarship.

This bill will invest in our future as a state through building up our youth and those who would like to live and work in North Dakota. On behalf of GNDC I urge a do pass on HB 1171.

Champions for Business

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Bismarck, ND 58502

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www.ndchamber.com

HB 1171
3-19-19
Att #1
Plot 2

19.0338.05001
Title.

Prepared by the Legislative Council staff for
Senator Schaible
March 19, 2019

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1171

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 15-10 of the North Dakota Century Code, relating to the development and implementation of a skilled workforce scholarship program; to provide a continuing appropriation; and to provide for a transfer.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

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

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

2. The state board of higher education shall develop policies to administer a skilled workforce scholarship program in cooperation with the Bank of North Dakota and the workforce education advisory council. The purpose of the skilled workforce scholarship program is to attract and retain students for professional or technical skills in high demand in this state.

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

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

5. To be eligible for a scholarship under this section, a student must maintain a 2.5 cumulative grade point average, based on a 4.0 grading system. A student may not receive scholarships under this section for more than the

equivalent of four semesters of full-time enrollment or eight quarters of full-time enrollment. Upon completion of a qualifying educational program, a student who received a scholarship under this section shall remain and work in this state for a minimum of three years.

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

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

SECTION 2. TRANSFER - BANK OF NORTH DAKOTA - SKILLED WORKFORCE SCHOLARSHIP FUND. The Bank of North Dakota shall transfer the sum of $10,000,000, or so much of the sum as may be necessary, from the Bank's current earnings and undivided profits to the skilled workforce scholarship fund during the biennium beginning July 1, 2019, and ending June 30, 2021."

Renumber accordingly

HB1171
3-27-19
#1
p1

Greater North Dakota Chamber
HB 1171
Senate Appropriations Committee
March 27th, 2019

Mr. Chairman and members of the committee, my name is Arik Spencer, President and CEO of the Greater North Dakota Chamber (GNDC), the largest statewide business advocacy organization in the North Dakota and the state affiliate for the National Association of Manufacturers. We stand in support of HB 1171 and ask for a do pass.

The workforce challenges in North Dakota are of great concern to our members and through our policy development process, workforce rose as the number one issue facing business. Although there is not a silver bullet to fix the workforce challenges in North Dakota, the bill before you is a significant step in the right direction. Our employers are not only competing among each other for a qualified workforce but with other states. The three states that border North Dakota (Montana, South Dakota and Minnesota) have similar programs that compete for students and are essentially attracting our workforce to live and work in their states. North Dakota needs a program that will attract youth to programs for in-demand careers and fill North Dakota jobs but more importantly invest in our youth by incentivizing them to live and work here by decreasing the cost of certain educational tracts.

Specifically, HB 1171 will:

- Help fill the skills gap by driving students to in demand, high paying career fields.
- Attract and retain future workers
- Improve access and affordability of education

Please note that a similar bill, SB 2039, which is still alive in the House and has the same overall goals but has substantive differences. It is our hope that HB 1171 can be the mechanism to incorporate the best of these two bills in order to make a real impact on our future workforce.

GNDC urges a do pass on HB 1171 and I would be happy to stand for any questions.

Apr 15, 2019

Attachment 1

19.0338.05003
Title.

Prepared by the Legislative Council staff for
Representative Bosch
April 11, 2019

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1171

That the Senate recede from its amendments as printed on pages 1393 and 1394 of the House Journal and pages 999-1001 of the Senate Journal and that Engrossed House Bill No. 1171 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact two new sections to chapter 15-10 of the North Dakota Century Code, relating to the development and implementation of a skilled workforce student loan repayment program and a skilled workforce scholarship program; to provide continuing appropriations; and to provide for transfers.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

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

1. There is created in the state treasury the skilled workforce student loan repayment program fund. The fund consists of moneys transferred into the fund by the legislative assembly, matching funds received, and loan repayments. Moneys in the fund are appropriated to the state board of higher education on a continuing basis for the purpose of distributing student loan repayment grants directly to the Bank of North Dakota or other participating lender to repay outstanding student loan principal balances for eligible applicants.

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

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

4. The state board of higher education and the North Dakota workforce development council shall compile a list of qualifying educational programs annually. Qualifying education programs must pertain to the professional and technical skills and emerging occupations in high demand in this state, as determined under subsection 3. Qualifying educational programs may include degree or certificate programs.

5. Graduates of qualifying educational programs from institutions or entities in this state may apply for the skilled workforce student loan repayment program. To be eligible to receive student loan repayment grants under the program, the applicant:

   a. Must have successfully completed a qualifying educational program from an eligible institution of higher education;

   b. Must have a student loan with the Bank of North Dakota or other participating lender;

   c. Following completion of a qualifying educational program, must reside and work in this state in an eligible high-demand or emerging occupation; and

   d. Must have met and shall continue to meet any requirements established by rule.

6. The state board of higher education shall adopt rules to ensure compliance with residency and occupation requirements after completion of the qualifying educational program.

7. The state board of higher education shall distribute student loan repayment grants from the 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.

8. 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. An individual who received a skilled workforce scholarship under section 2 of this Act is not eligible for loan forgiveness under this section.

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

SECTION 2. A new section to chapter 15-10 of the North Dakota Century Code is created and enacted as follows:

Skilled workforce scholarship program - Skilled workforce scholarship fund - Continuing appropriation.

1. There is created in the state treasury the skilled workforce scholarship fund. The fund consists of moneys transferred into the fund by the legislative assembly, matching funds received, and scholarship repayments. Moneys in the fund are appropriated to the state board of higher education on a continuing basis for the purpose of providing grants to institutions of higher education related to skilled workforce scholarships.

Institutions of higher education include institutions under the control of the state board of higher education, North Dakota nonpublic accredited institutions of higher education, and tribally controlled community colleges.

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

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

4. The state board of higher education and the workforce development council shall compile a list of qualifying educational programs annually. Qualifying educational programs must be able to be completed within four semesters or eight quarters and must pertain to the professional and technical skills and emerging occupations in high demand in this state, as determined under subsection 3. Qualifying educational programs may include degree or certificate programs.

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

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

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

8. An individual shall repay the scholarship pursuant to the terms in the individual's scholarship award agreement if the individual fails to maintain a 2.5 cumulative grade point average while enrolled, discontinues attendance before the completion of any semester or quarter for which a scholarship has been received, or fails to reside and work in this state in an eligible high-demand or emerging occupation for at least three years following degree or certificate completion.

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

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

SECTION 3. TRANSFER - BANK OF NORTH DAKOTA - SKILLED WORKFORCE STUDENT LOAN REPAYMENT PROGRAM FUND. The Bank of North Dakota shall transfer the sum of $3,000,000, 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 biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 4. TRANSFER - BANK OF NORTH DAKOTA - SKILLED WORKFORCE SCHOLARSHIP FUND. The Bank of North Dakota shall transfer the sum of $3,000,000, or so much of the sum as may be necessary, from the Bank's current earnings and undivided profits to the skilled workforce scholarship fund during the biennium beginning July 1, 2019, and ending June 30, 2021."

Renumber accordingly

10. The state board of higher education shall provide a biennial program report to the legislative management by September 1 of each even numbered year. The report must include information regarding:
    a. The eligible high-demand professional and technical skills and emerging occupations;
    b. The qualifying educational programs;
    c. The number of applicants, eligible applicants, and awarded applicants;
    d. The amount of private funding raised; and
    e. The average and total amounts awarded under the program.

Apr 17, 2019

Attachment 1

19.0338.05004

Sixty-sixth
Legislative Assembly
of North Dakota

FIRST ENGROSSMENT

ENGROSSED HOUSE BILL NO. 1171

Introduced by

Representatives Grueneich, Blum, Dockter, Headland, Howe, Mitskog, Pollert, Satrom

Senators Cook, Wanzek

A BILL ~~for an Act to create and enact two new sections to chapter 6-09 of the North Dakota Century Code, relating to the development and implementation of a skilled workforce student loan repayment program; to provide a continuing appropriation; to provide for a transfer; to provide an expiration date; and to declare an emergency.~~ for an Act to create and enact two new sections to chapter 15-10 of the North Dakota Century Code, relating to the development and implementation of a skilled workforce student loan repayment program and a skilled workforce scholarship program; to provide continuing appropriations; to provide for transfers; to provide for reports to the legislative management; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

~~**SECTION 1.** 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 - Development and implementation.**~~

~~1. The Bank of North Dakota shall adopt rules to develop, implement, promote, and administer a skilled workforce student loan repayment program in conjunction with the North Dakota university system and the North Dakota workforce development council with the intent of attracting and retaining individuals for professional or technical skills in high demand in this state.~~

~~2. The North Dakota workforce development council in cooperation with job service North Dakota shall use available labor market information to determine annually the eligible high demand and emerging occupations in this state.~~

~~3. The North Dakota university system and the North Dakota workforce development council shall compile a list of qualifying educational programs by April first of each year. Qualifying educational programs may include degree or certificate programs.~~

~~4. Graduates of qualifying educational programs from institutions or entities in this state may apply for the skilled workforce student loan repayment program. To be eligible to receive student loan repayment grants under the program, the applicant:~~

~~a. Must have successfully completed a qualifying educational program from a Bank of North Dakota approved institution or entity after January 1, 2019;~~

~~b. Must have maintained at least a 2.75 grade point average, based on a 4.0 grading system;~~

~~c. Must have a student loan with the Bank of North Dakota or other participating lender;~~

~~d. Following completion of a qualifying educational program must remain and work in this state in an eligible high-demand or emerging occupation; and~~

~~e. Must have met and shall continue to meet any requirements established by rule.~~

~~5. The Bank of North Dakota shall adopt rules to ensure compliance with residency and occupation requirements after completion of the qualifying educational program.~~

~~6. The Bank of North Dakota shall distribute student loan repayment grants from the 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.~~

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

Skilled workforce student loan repayment program - Skilled workforce student loan repayment program fund - Continuing appropriation - Report.

1. There is created in the state treasury the skilled workforce student loan repayment program fund. The fund consists of moneys transferred into the fund by the legislative assembly, matching funds received, and loan repayments. Moneys in the fund are appropriated to the state board of higher education on a continuing basis for the purpose of distributing student loan repayment grants directly to the Bank of North Dakota or other participating lender to repay outstanding student loan principal balances for eligible applicants.
2. The state board of higher education shall adopt policies and procedures to develop, implement, promote, and administer a skilled workforce student loan repayment program in cooperation with the Bank of North Dakota and the North Dakota workforce

development council with the intent of attracting and retaining individuals for professional or technical skills in high demand in this state.

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

4. The state board of higher education and the North Dakota workforce development council shall compile a list of qualifying educational programs annually. Qualifying education programs must pertain to the professional and technical skills and emerging occupations in high demand in this state, as determined under subsection 3. Qualifying educational programs may include degree or certificate programs.

5. Graduates of qualifying educational programs from institutions or entities in this state may apply for the skilled workforce student loan repayment program. To be eligible to receive student loan repayment grants under the program, the applicant:

   a. Must have successfully completed a qualifying educational program from an eligible institution of higher education;

   b. Must have a student loan with the Bank of North Dakota or other participating lender;

   c. Following completion of a qualifying educational program, must reside and work in this state in an eligible high-demand or emerging occupation; and

   d. Must have met and shall continue to meet any requirements established by rule.

6. The state board of higher education shall adopt rules to ensure compliance with residency and occupation requirements after completion of the qualifying educational program.

7. The state board of higher education shall distribute student loan repayment grants from the 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 upon initial application for the program, whichever is less. The maximum total student loan

repayment grant amount for which any applicant may qualify is seventeen thousand dollars.

8. 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. An individual who received a skilled workforce scholarship under section 2 of this Act is not eligible for loan forgiveness under this section.

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

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

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

b. The qualifying educational programs;

c. The number of applicants, eligible applicants, and applicants receiving awards;

d. The amount of private funding raised; and

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

SECTION 2. A new section to chapter 15-10 of the North Dakota Century Code is created and enacted as follows:

Skilled workforce scholarship program - Skilled workforce scholarship fund - Continuing appropriation - Report.

1. There is created in the state treasury the skilled workforce scholarship fund. The fund consists of moneys transferred into the fund by the legislative assembly, matching funds received, and scholarship repayments. Moneys in the fund are appropriated to the state board of higher education on a continuing basis for the purpose of providing grants to institutions of higher education related to skilled workforce scholarships. Institutions of higher education include institutions under the control of the state board

of higher education, North Dakota nonpublic accredited institutions of higher education, and tribally controlled community colleges.

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

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

4. The state board of higher education and the workforce development council shall compile a list of qualifying educational programs annually. Qualifying educational programs must be able to be completed within four semesters or six quarters and must pertain to the professional and technical skills and emerging occupations in high demand in this state, as determined under subsection 3. Qualifying educational programs may include degree or certificate programs.

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

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

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

8. An individual shall repay the scholarship pursuant to the terms in the individual's scholarship award agreement if the individual fails to maintain a 2.5 cumulative grade point average while enrolled, discontinues attendance before the completion of any semester or quarter for which a scholarship has been received, or fails to reside and work in this state in an eligible high-demand or emerging occupation for at least three years following degree or certificate completion.

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

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

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

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

    b. The qualifying educational programs;

    c. The number of applicants, eligible applicants, and applicants receiving awards;

    d. The amount of private funding raised; and

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

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

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

Apr 17, 2019 HB 1171 Attachment 2

19.0338.05004
Title.

Prepared by the Legislative Council staff for
Representative Bosch
April 15, 2019

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1171

That the Senate recede from its amendments as printed on pages 1393 and 1394 of the House Journal and pages 999-1001 of the Senate Journal and that Engrossed House Bill No. 1171 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with " for an Act to create and enact two new sections to chapter 15-10 of the North Dakota Century Code, relating to the development and implementation of a skilled workforce student loan repayment program and a skilled workforce scholarship program; to provide continuing appropriations; to provide for transfers; to provide for reports to the legislative management; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

Skilled workforce student loan repayment program - Skilled workforce student loan repayment program fund - Continuing appropriation - Report.

1. There is created in the state treasury the skilled workforce student loan repayment program fund. The fund consists of moneys transferred into the fund by the legislative assembly, matching funds received, and loan repayments. Moneys in the fund are appropriated to the state board of higher education on a continuing basis for the purpose of distributing student loan repayment grants directly to the Bank of North Dakota or other participating lender to repay outstanding student loan principal balances for eligible applicants.

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

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

4. The state board of higher education and the North Dakota workforce development council shall compile a list of qualifying educational programs annually. Qualifying education programs must pertain to the professional and technical skills and emerging occupations in high demand in this state, as determined under subsection 3. Qualifying educational programs may include degree or certificate programs.

Apr 17, 2019 HB 1171 Attachment 2

5. Graduates of qualifying educational programs from institutions or entities in this state may apply for the skilled workforce student loan repayment program. To be eligible to receive student loan repayment grants under the program, the applicant:

   a. Must have successfully completed a qualifying educational program from an eligible institution of higher education;

   b. Must have a student loan with the Bank of North Dakota or other participating lender;

   c. Following completion of a qualifying educational program, must reside and work in this state in an eligible high-demand or emerging occupation; and

   d. Must have met and shall continue to meet any requirements established by rule.

6. The state board of higher education shall adopt rules to ensure compliance with residency and occupation requirements after completion of the qualifying educational program.

7. The state board of higher education shall distribute student loan repayment grants from the 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 upon initial application for the program, whichever is less. The maximum total student loan repayment grant amount for which any applicant may qualify is seventeen thousand dollars.

8. 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. An individual who received a skilled workforce scholarship under section 2 of this Act is not eligible for loan forgiveness under this section.

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

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

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

    b. The qualifying educational programs;

    c. The number of applicants, eligible applicants, and applicants receiving awards;

d. The amount of private funding raised; and

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

SECTION 2. A new section to chapter 15-10 of the North Dakota Century Code is created and enacted as follows:

Skilled workforce scholarship program - Skilled workforce scholarship fund - Continuing appropriation - Report.

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

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

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

4. The state board of higher education and the workforce development council shall compile a list of qualifying educational programs annually. Qualifying educational programs must be able to be completed within four semesters or six quarters and must pertain to the professional and technical skills and emerging occupations in high demand in this state, as determined under subsection 3. Qualifying educational programs may include degree or certificate programs.

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

6. To be eligible for a scholarship under this section, a student must be enrolled full time in an eligible program and maintain a 2.5 cumulative grade point average, based on a 4.0 grading system, or maintain academic progress in the program according to program requirements. A student may not receive scholarships under this section for more than the

equivalent of four semesters of full-time enrollment or six quarters of full-time enrollment.

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

8. An individual shall repay the scholarship pursuant to the terms in the individual's scholarship award agreement if the individual fails to maintain a 2.5 cumulative grade point average while enrolled, discontinues attendance before the completion of any semester or quarter for which a scholarship has been received, or fails to reside and work in this state in an eligible high-demand or emerging occupation for at least three years following degree or certificate completion.

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

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

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

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

   b. The qualifying educational programs;

   c. The number of applicants, eligible applicants, and applicants receiving awards;

   d. The amount of private funding raised; and

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

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

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

Renumber accordingly