

2019 SENATE EDUCATION

SB 2039

2019 SENATE STANDING COMMITTEE MINUTES

Education Committee
Sheyenne River Room, State Capitol

SB 2039
1/9/2019
30585

- 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 scholarship program; to provide a continuing appropriation; and to provide for a transfer.

Minutes:

Att. #1- John Richman; Att. #2- Shawn Wenko Att. #3-
Mason Sisk

Chairman Schaible: Meeting called to order. Attendance was taken. All present.

(0:01:08) Emily Thompson, Legislative Council: The bill came out of the interim taxation committee. The committee learned economic development tax incentive, the workforce recruitment credit and the internship program credit. The committee learned these incentives were very rarely used and received some testimony on the need on some type of incentive for our workforce. The committee looked instead at modifying those two tax incentives to instead creating some type of scholarship program. Essentially, the bill will create a skilled workforce program administered by the BND in conjunction with the ND University System and the Workforce Education Advisory Council. The purpose of the program is to attract and retain students in high demand workforce areas. It requires the University system and the Workforce Education Advisory Council to publish a list of qualifying programs by August 1st of each year. The program is funded by up to \$10 million from the BND and requires a dollar for dollar match, so the total amount available through this program would be \$20 million. Scholarships are provided to designated educational programs that can be completed within two years. Scholarship funds are paid directly to the institution that is administering that program covering tuition, fees, books, supplies required to complete the program and other costs related to complete the degree. There are requirements with the program – a 2.5 grade point average, and must stay and work in the state for three years after completion of the degree or certificate. An individual that fails to meet these requirements are subject to repayment provisions that are specified in the scholarship award agreement.

(0:04:01) Chairman Schaible: The individual needs to work in the state for three years after this and if they don't, there is repayment that needs to be made. Could you explain that for us?

Emily Thompson: the individuals are subject to the repayment provisions provided in the scholarship award agreement. They would have to sign documentation with the BND and the

BND sets the interest rate and any other provisions they might want the recipient to sign on to.

Chairman Schaible: Other questions?

Senator Davison: Mr. Chairman and Emily, would a person qualifying for this scholarship qualify for other scholarships?

Emily Thompson: Mr. Chairman and Senator Davison, right now the language on page two line 20 denotes this scholarship is intended to assist students in need of education costs and can supplement any other financial aid received.

Senator Davison: It doesn't eliminate them from any other ND scholarship that we supply dollars for?

Emily Thompson: Mr. Chairman and Senator Davison, no it does not.

Chairman Schaible: Is there any restrictions on the dollar for dollar match? That can come from just about anywhere?

Emily Thompson: Mr. Chairman, there are no parameters in the dollar for dollar match, just that is required. The committee left a lot of this to the administrator agency.

Chairman Schaible: Other questions? Thank you. Other testimony in favor of the bill.

(0:08:00) John Richman, President of NDSCS: See attachment #1.

Chairman Schaible: John, in point number two, you said this was a last resort, can you explain how that is going to work.

(0:12:39) John Richman: What we have seen in the other programs, they have to apply, meet the requirements and exhaust all of the other grants - and fill out the FAFSA forms. They have to exhaust all of the other grants prior to this funding. If a student comes in with a Pell grant, that amount is reduced off what is eligible by this program. Whatever is left, we call it the last dollar scholarship because it is paying the last dollars of what the program is designed to cover.

Chairman Schaible: So this applied for after that is done?

John Richman: Correct or at the same time and it has to be calculated.

Chairman Schaible: Other questions. Thank you.

(0:14:28) Shawn Wenko, Economic Development Association of ND: See attachment #2.

Chairman Schaible: Seeing no questions, thank you. Other testimony in favor.

(0:18:48) Mason Sisk, Asst. Executive Director of the Technology Council of ND: See attachment #3.

Chairman Schaible: Mason, the people you work for, do you see them donating to this? And if they do donate this dollar for dollar match, I would guess they would want them to go into your field, but there are limits to that. Do you see that as a problem?

Mason Sisk; Mr. Chairman, there has been some discussion and some of our bigger companies that are part of our members is Microsoft, which has been part of the discussion. They have a lot of interest in a program similar to this – if not this exact program. They have expressed that they would like to have people come into our field and that's why it may be important to some contributions from other industries as well. Partnering from technology to ag or energy or whatever.

Chairman Schaible: Do you see that as a hindrance to getting contributions?

Mason Sisk: It could be, we don't see it as hindering the fund from coming in, but I expect it to be a topic of discussion among companies that are looking for employees.

Chairman Schaible: Other questions. Thank you. Other testimony in favor of.

(0:22:21) Matt Gardner, GNDC: We are the largest business representation organization in the state and advocate for business. The concept of this bill is very favorable. The need for a greater workforce is going to be the biggest challenge that we have had for some time. On their own, some of our membership has already started programs similar to what this bill intends to do. I think a statewide program such as this is warranted in the state. I concur with what was said today.

Chairman Schaible: Other testimony in favor of.

Elroy Burkle, Executive Director of Organized Small Schools: I am a former ag teacher and would like to have been able to share with my students when I was teacher. I support this bill.

Chairman Schaible: Other questions. Senator Oban.

Senator Oban: That was one of my questions - how do we get the information about this bill in the hands of the students so they see these opportunities are available?

Elroy Burkle: Chairman Schaible and Senator Oban: Yes, the counselors would be the critical piece, but also your ag teachers would be very important. It will be taken advantage of if the word gets to the ag teachers.

Chairman Schaible: Other questions. Thank you. Other testimony in favor of.

Amiee Copas, Executive Director of the NDCEL: I stand before you verbal support of this bill. We struggle as school leaders to convince our students, sometimes, especially when they are gearing and tracking in their interests are really in a skilled workforce career, a lot of times

the appeal of a national championship, sometimes sends them to an institution that isn't necessarily for them. We struggle at the school level for a great argument about why the state supports them and why it is a really good idea to go after their career fields they are passion about. Not only does help for the cost for the student, but it helps with the conversations we have with students about how critical going into these additional career fields and attending not only our four year institutions, but our two year institutions. With that, I support this bill as well.

Chairman Schaible: Other questions. Other testimony in favor of. Any institution testimony? I'd like to have the BND come up. I'd like to have you speak to the uncollectable debt.

Todd Steinman, Chief Business Development Officer, BND: I think the details that we would work out fits into the system of how we collect student loans. We don't anticipate any issue with bringing this program into our normal collection process.

Chairman Schaible: Is the amount of money acceptable to the BND?

Todd Steinman: Mr. Chairman, yes. We do have existing programs that we wish to fund, but this gets into our educational mission.

Chairman Schaible: Other questions. Any other agency testimony. Any testimony in opposition to this bill. Hearing none, we'll close the hearing on SB 2039.

(0:30:54) Senator Oban: Mr. Chairman, did any members of this committee serve on the Interim Taxation Committee?

Chairman Schaible: No. I guess nobody was on was on that committee, but there are three other bills that are duplicating this.

Senator Oban: I had questions about the loan repayment and scholarship programs we have on the books –

Chairman Schaible: I have requested an evaluation of SLEDS to do that. We did do one a few years back – the optometrists, vegetarians, etc. and the results came back pretty eye opening - only 18-19% success rate. That makes it questionable it that is the right track to take. That's why I've been trying to rework it. Are they producing the results we are hoping for? Other discussion.

Senator Davison: Is there a maximum a person can apply for?

Chairman Schaible: I would guess it would be whatever it would take. I assume it is after the fact – paying directly to the institution. Maybe we need to look at how all our scholarships work. Anything else for discussion, the good of the order? If not, we will see you on Monday.

2019 SENATE STANDING COMMITTEE MINUTES

Education Committee
Sheyenne River Room, State Capitol

SB 2039
1/28/2019
31553

- Subcommittee
 Conference Committee

Committee Clerk Signature Lynn Wolf

Explanation or reason for introduction of bill/resolution:

A bill relating to the development and implementation of a skilled workforce scholarship program; to provide a continuing appropriation; and to provide for a transfer.

Minutes:

Chairman Schaible: Committee we are going to look at SB 2039. This bill is one of the gap scholarship bills.

Senator Davison: I like this bill. It has some matching grant and I feel the matching grant from business and industry. These workforce challenges – we need business and industry to be engaged – not only at the table, but engaged with their pocketbooks. I think those matching dollars is a positive thing. The other thing I like about this is it is a little more quantifiable as far as the two-year programs. From a technical standpoint, I like that focus as opposed to the previous bill.

(1:53) **Chairman Schaible:** I agree. This is a kind of scholarship that catches all the other ones. This was an idea two and four years ago – they called it a gap scholarship because it filled in the gaps for some of the students that didn't have opportunities to get that. With the \$10 million that is contributed from the unreserved profits of the BND and the \$10 million match, you are getting effectively \$20 million and only costing the what could possibly be state money of \$10 million.

(2:41) **Senator Davison:** In my area of the state, this is going to have a greater impact on those kids in the rural communities. We don't send a lot of kids from Fargo down to NDSCS. There are sometimes lots of scholarships for some of the bigger schools that this one has a little more focus on students in the rural communities. It may entice kids to go down to an NDSCS or Devils Lake.

Senator Oban: Many trades work on contract and based on weather in ND, they will take a contract out of state. A bricklayer will go and work outside of the state for a number of months, potentially longer. The question I have is would this disqualify them if the individual has to work in the state for three years? Do we base this on residency?

Chairman Schaible: So, acceptable language would be “if a job is not available, they could go out of state?”

Senator Oban: It is typically people that can’t work outdoors in the winter in ND.

Chairman Schaible: I understand what you mean, but, how do we ensure that they are coming back?

Senator Oban: I believe people that do that, rarely to never, consider themselves a resident of that state that they are going to work, but they are not here doing a job for those full three years.

Chairman Schaible: If we put in that kind of language, would it deter from passing the bill?

Senator Oban: Maybe that can be determined in adopting the rules of the program. I would just hate to disqualify individuals that go into those fields.

Chairman Schaible: Either that or it might be something we could fix next session because we would have a little clearer vision of what that would look like.

Senator Davison: If they are working for a ND company and they go out of state to work for that company, I don’t think you can fix every exception in a bill. I have an issue with it if they don’t come back here because part of the year they are not paying ND income tax.

Senator Oban: However, sometimes those employers are based in MN. A lot of labor folks aren’t even – their employer is in MN, but they work and live in ND.

Chairman Schaible: We have a lot of company presence in ND that aren’t based in ND.

Senator Davison: They still are paying ND income tax. That’s why it is on there so we are recouping some of those dollars.

(7:40) **Chairman Schaible:** So, are you looking at an amendment?

Senator Oban: I wanted the minutes to reflect that I hope we can find some rules in implementing it if it passes that would accommodate for that situation.

Chairman Schaible: I don’t disagree with your concerns. If we get too much “in the weeds” then it gets... Other discussion.

Senator Rust: How many bills that deal with this kind of issue do we have? Over the two bills, I do prefer this one because the industry is involved.

Chairman Schaible: I can’t tell you, I know there are some on the House side. Committee do you need more time to consider this bill? Or should we take action?

Senator Davison: Motion to Do Pass on SB 2039 and refer to Appropriations.

Senate Education Committee

SB 2039

1/28/2019

Page 3

Oban: Second.

Roll call taken:

Yeas: 7; Nays: 0

Motion Carries.

Senator Davison will carry the bill.

Date: 1-28-19
Roll Call Vote #: 1

2019 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2039

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 Davison Seconded By Oban

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. Davison

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

REPORT OF STANDING COMMITTEE

SB 2039: Education Committee (Sen. Schaible, Chairman) recommends DO PASS and BE REREFERRED to the Appropriations Committee (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2039 was rereferred to the Appropriations Committee.

2019 SENATE APPROPRIATIONS

SB 2039

2019 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

SB 2039
2/4/2019
JOB # 32035 (23:19)

- Subcommittee
 Conference Committee

Committee Clerk: Alice Delzer/Meghan Pegel
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Explanation or reason for introduction of bill/resolution:

A BILL for an Act to create and enact two new sections to chapter 6-09 of the NDCC, relating to the development and implementation of a skilled workforce scholarship program; to provide a continuing appropriation; and to provide for a transfer.

Minutes:

- | |
|---|
| <ol style="list-style-type: none">1. Testimony of Ellen Huber2. Testimony of Mason Sisk3. Proposed Amendment (by Rod Backman)4. Proposed Amendment (by Eric Hardmeyer) |
|---|

Chairman Holmberg called the committee to order on SB 2039. Roll call was taken. All committee members were present except Senator Robinson, Senator Bekkedahl and Senator Poolman. Becky Deichert, OMB and Adam Mathiak, Legislative Council were also present.

Chairman Holmberg: Committee members should be aware we have a number of bills in committee, and we only have 10 days to pass all the bills out by the 18th of February.

(2:00) Ellen Huber, Mandan Business Development Director and President of Economic Development Association of North Dakota (EDND), testifies in favor of SB 2039. (see Attachment #1)

Chairman Holmberg: Section 2 says "This fund is not subject to section 54-44.1-11" which is the section that deals with money clawed back if not spent. That section actually shouldn't be in there because it is a continuing appropriation anyway. We have some suggested amendments coming. Committee members received emails from Jared Melville from the ND Student Association who said he won't be able to be here, but their association supports this bill.

(8:10) Mason Sisk, Assistant Executive Director of the Technology Council of ND (TechND), testifies in favor of SB 2039. (see Attachment #2)

(9:40) Matt Gardner, Greater ND Chamber, testifies in favor of SB 2039. Greater ND Chamber is the largest state-wide business advocacy organization in the state. We're also the state affiliate for NAM, the National Association of Manufacturers. We're here today in support of the bill. Our policy committee leading up to session dealt very closely with workforce development and the workforce challenges we face in the state. This bill will definitely help that. There is no silver bullet to solve this shortage, but this would be a step in the right direction.

(10:40) Bruce Murry, Director of ND Association of Community Providers (NDACP), testifies in favor of SB 2039. As our workforce diversifies into technology and as we get more heavily into behavioral and medical health, I wanted to speak in favor for this initiative.

(11:25) Rod Backman, representing University of Mary and University of Jamestown, testifies in favor of SB 2039. (see attachment #3) We are supportive of the bill but are proposing an amendment for some clarification. I have visited with Senator Schaible, Chairman of the Education committee. He had indicated that he is fine with this amendment. We're concerned if our students and the programs that the private schools offer would qualify. We didn't see anything in the language that excluded us; however, in discussions with the Bank of North Dakota and with Senator Schaible, the thinking is it would be better if it specifically included our students and our programs. That's the idea behind the proposed amendment. Page 1 line 14 after the word "programs" we would insert "at any institution of higher education in North Dakota" just to make that clarification. We would request that you consider something that would help make that clarification.

Chairman Holmberg: Senator Schaible had mentioned that this is something he felt they would support.

Senator Mathern: Does this include the Tribal colleges?

Backman: I believe it would. It would be considered an institution of higher education. When you're looking at the issue you are dealing with of skilled workforce, I think it's important that all of the students and programs in the state would receive the same benefit to help that state reach its goal.

(14:10) Eric Hardmeyer, President of the Bank of North Dakota (BND), testifies in favor of SB 2039. (see attachment #4) The Bank of ND is requesting an amendment. In section 1, we would flip the accountability in terms of the adoption of rules to put the University system first in terms of the primary entity that should adopt rules to develop and implement the scholarship program and just include the Bank of ND as a participant in that. The second one is under section 4 paragraph 4. Again it's the same issue where we would take the Bank of ND out. Actually I would like to amend the amendment. Talking with the University system, we would prefer to have "administered by the North Dakota University System" rather than "by the educational institution". These are minor, technical changes, but it does flip a little bit of the responsibility. Overall of course we are supportive of this bill and understand the needs to enhance those things to promote workforce development.

Chairman Holmberg: The informal change would be “scholarships must be provided in the form of a grant administered by the North Dakota University System”?

Hardmeyer: Correct.

Senator Mathern: How many dollars do you anticipate this will take in a biennium from the bank?

Hardmeyer: What is proposed is \$10M. There is a companion bill in the House, HB 1171, which is also \$10M. I would guess at some point those two would be merged together. Whether \$10M is sufficient, I’m not sure, but that is what’s proposed.

Senator Dever: I was initially confused by the fact that it’s a revolving fund, but then I see that if somebody doesn’t complete the program or they leave the state, that they claw it back. Do we have the ability to collect that from a non-resident?

Hardmeyer: Yes, I would think that that would be part of the overall scholarship agreement that in an event of a default of the agreement, we have language that it converts to a dead instrument and the Bank of ND would then pursue collection. I don’t see any issue with it with them moving outside the state.

Senator Dever: The continuing appropriation revolving fund has to do with those funds being clawed back. The appropriation of \$10M has to be reauthorized every session then?

Adam Mathiak, Legislative Council: Section 3 of the bill provides a transfer; by its very nature, a transfer would be a one-time item, especially since it’s in session law. There’s nothing that’s being put in Century Code that requires new money be put into the fund on a continuing basis. Once that \$10M is expended along with the matching funds provided by the private sector, I believe it’s intended to provide a total of \$20M because there’s a provision that requires a \$1 matching fund for each \$1 provided by the state. That \$10M transfer is just a one-time thing.

(19:45) Tammy Dolan, ND University System, testifies in favor of SB 2039. We in the system office do manage other loan forgiveness scholarship programs and other grant programs so it makes complete sense and we would be very supportive of the amendment. There are some administrative things we would need to work through this that we haven’t thought through fully, but we would be supportive of this change and the bill fully.

Senator Gary Lee: With the Eric Hardmeyer’s proposed amendment, does that still include the colleges that Mr. Backman was talking about and the Tribal colleges?

Dolan: The programs we administer right now are available to all of the colleges within the state and so yes, we would be able to work with that.

Chairman Holmberg closes the hearing on SB 2039.

Chairman Holmberg: I will ask Adam or the appropriate person to put together the amendments including the sentence about the fund not subject to 54-44.1-11 for our committee's consideration. We won't have a subcommittee on this.

2019 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

SB 2039
2/6/2019
JOB # 32244

- Subcommittee
 Conference Committee

Committee Clerk: Alice Delzer

Explanation or reason for introduction of bill/resolution:

A BILL relating to the development and implementation of a skilled workforce scholarship program (Do Pass as Amended).

Minutes:

1. Proposed Amendment # 19.0924.02001

Chairman Holmberg: called the Committee to order on SB 2039. All committee members were present. Adam Mathiak, Legislative Council and Stephanie Gullickson, OMB were also present.

Chairman Holmberg: There was a proposed amendment # 19.0294.02001.

Senator Mathern: moved the amendment. 2nd by **Senator Bekkedahl**.

Adam Mathiak, Legislative Council: explained what the new amendment would do in this bill. Discussion followed.

Chairman Holmberg: Called for a voice vote. It carried.

V. Chairman Wanzek: Moved a Do Pass as Amended. 2nd by Senator Grabinger:

A Roll Call vote was taken. Yea:14; Nay: 0; Absent: 0. This will go back to the Education Committee. **Senator Davison will carry the bill.**

The hearing was closed on SB 2039.

February 6, 2019

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PROPOSED AMENDMENTS TO SENATE BILL NO. 2039

Page 1, line 1, replace "two new sections to chapter 6-09" with "a new section to chapter 15-10"

Page 1, remove lines 5 through 23

Page 2, replace lines 1 through 28 with:

"**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 shall 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,

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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."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment consolidates the skilled workforce scholarship program and fund in one section of North Dakota Century Code, provides for the State Board of Higher Education to administer the program rather than the Bank of North Dakota, and provides other minor technical corrections.

Date: 2-6-2019
 Roll Call Vote #: 1

**2019 SENATE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 2039**

Senate Appropriations Committee

Subcommittee

Amendment LC# or Description: 19.0294.02001

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 Mathern Seconded By Bekkedahl

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) _____ No _____

Absent _____

Floor Assignment _____

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

*Voice Vote
 Approved*

Date: 2-6-2019
Roll Call Vote #: 2

2019 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2039

Senate Appropriations Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Refer to Appropriations
 Place on Consent Calendar
Other Actions: Reconsider _____

Motion Made By Wanzek Seconded By Grabinger

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 Davison

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

Education

REPORT OF STANDING COMMITTEE

SB 2039: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2039 was placed on the Sixth order on the calendar.

Page 1, line 1, replace "two new sections to chapter 6-09" with "a new section to chapter 15-10"

Page 1, remove lines 5 through 23

Page 2, replace lines 1 through 28 with:

"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 shall 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."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment consolidates the skilled workforce scholarship program and fund in one section of North Dakota Century Code, provides for the State Board of Higher Education to administer the program rather than the Bank of North Dakota, and provides other minor technical corrections.

2019 HOUSE EDUCATION

SB 2039

2019 HOUSE STANDING COMMITTEE MINUTES

Education Committee
Coteau A Room, State Capitol

SB 2039
3/5/2019
33195

- Subcommittee
 Conference Committee

Committee Clerk: Bev Monroe by Marjorie Conley

Explanation or reason for introduction of bill/resolution:

A bill relating to the development and implementation of a skilled workforce scholarship program; to provide a continuing appropriation; and to provide for a transfer.

Minutes:

Attachment 1, 2, 3, 4, 5, 6, 7

Vice Chairman Cynthia Schreiber-Beck: Opened the hearing on SB 2039.

Emily Thompson, Legislative Council: Essentially this bill creates a skilled workforce scholarship program aimed at attracting and retaining students for professional or technical skills in high demand areas in this state. The program is administered by the state board of higher education in cooperation with the Bank of North Dakota and the workforce education advisory council. The state board and the workforce education advisory council, they are required to compile a list of qualifying educational programs that would be eligible for this scholarship funding and has to be published by August 1 of each year. Qualifying programs must be completed within two years and pertain to technical skills that are in high demand in our state. A student enrolled in the qualifying program may apply for the scholarship which covers tuition, books, fees, and supplies essentially all of the expenses related to that high demand program. While enrolled in this program, the student must maintain a 2.5 GPA. They also are required to successfully complete the program and remain and work in the state for three years following the completion of that educational program. If they fail to reach all the terms, they are subject to repayment which is provided in the terms of the scholarship agreement. The amount provided here is 10 million dollars, that is subject **to matching funds, so a total of 10 million dollars for this scholarship program.**

Vice Chairman Cynthia Schreiber-Beck: Any questions?

Rep. Hoverson: About the 10 million dollars, is that funds that are already designated?

Emily Thompson: The 10 million dollars is from the bank's current earnings and undivided profits that will go into this fund and the other 10 million will be from private industry.

Rep. Hoverson: Would you still support it if the GPA were raised to 2.75 or 3.?

Emily Thompson: Neutral testimony will answer this question as I just explained the bill.

Rep. LaurieBeth Hager: My concern is about the August deadline, as that is about when students are starting college.

Emily Thompson: The date was selected by the interim taxation committee. The tax committee thought that not using tax incentives but to use grant scholarship program would be more of an incentive for the workforce needs.

Vice Chairman- Cynthia Schreiber-Beck: Additional questions?

Lisa Johnson, Interim Vice Chancellor, Academic & Student Affairs, NDUS:
(Attachment 1)Support for SB 2039.

Rep. Ron Guggisberg: I keep hearing that tomorrow's workforce is going to be changing Jobs many times throughout their career, so is there any opportunity for a student to get a liberal arts degree or teach them how to learn and not a specific technical skill?

Lisa Johnson: It would not under liberal arts transfer as that would be a four year institutions that might have scholarships attached to them. The focus is in the high demand jobs.

Rep. Ron Guggisberg: Did the task force look at salaries in different parts of the country?

Lisa Johnson: I can speak most distinctly on the governors nursing task force and we did find that our nurses were paid similarly, but those that lived along the Minnesota boarder, Minnesota liked nurses that has one year of experience.

Rep. LaurieBeth Hager: Could elaborate on the non public accredited institutions of higher education? Could you give us some examples of these?

Lisa Johnson: The non public accredited institutions of higher education would include University of Mary and Jamestown. They were trying to make sure that the student was accredited and that they met certification requirements. That is why they included the word accredited.

Rep. LaurieBeth Hager: The non-public would primarily be the University of Mary and Jamestown? That would be private institutions.

Lisa Johnson: That is correct.

Rep. Dennis Johnson: Is there a hard list that explains what a high demand field is?

Lisa Johnson: At present the North Dakota University system, job service, and the department of commerce actually do produce what's called an in demand occupation list. It covers the entire range of any credentialed less than an associate all the way through masters level. We work as a multiagency committee, as we can set the parameters on that so we could exclude 4 year programs. Our intent was to use that process

to produce the high demand list specified in the bill and identify those high demand programs.

Rep. Dennis Johnson: Wind technicians were not heard of 20 years ago in North Dakota, now you see wind farms all over.

Lisa Johnson: We might have to modify and include emerging jobs. We may have to add cyber security, unmanned aerial systems, wind technicians. Those might be on the emerging list.

Vice Chairman Cynthia Schreiber-Beck: Additional questions?

Rep. LaurieBeth Hager: Technically, I have not been familiar with tuition, books and supplies in scholarships.

Lisa Johnson: This one is a little different with tuition fees, books and supplies and that's why I always add the additional language for the qualifying educational program because if your supplies are to be used in the workforce buying tools to work in a mechanical program and we didn't want them to be the responsibility of the student as they could be quite high. Not just any supplies but specific to the program.

Vice Chairman Cynthia Schreiber-Beck: Do you see any difficulties in tracking students if they leave the state?

Lisa Johnson: It didn't seem to be a concern when we met to prepare testimony.

Vice Chairman Cynthia Schreiber-Beck: Do you see any difficulties in matching funds?

Lisa Johnson: We know that is important to the bill sponsors and this shows campus commitment. The student will have a contract in terms of their obligations to meet the parameters of the scholarship or that will convert to a loan.

Vice Chairman Cynthia Schreiber-Beck: support for SB 2039.

Jane Vangsness, Vice President for Student Affairs, NDSCS: (Attachment 2)

Vice Chairman- Cynthia Schreiber-Beck: Questions?

Rep. Mary Johnson: What are the high demand fields? Costs depend on the field student goes into - supplies, room and board, grants, etc. Could you provide us with some numbers?

Jane Vangsness: It truly depends on what field the student goes into. It would probably cost \$10,000.00 a year for a diesel mechanic.

Rep. Mary Johnson: Are you saying that a student that does not get any other assistance would not get this?

Jane Vangsness: They would be eligible for this.

Rep. Mary Johnson: They could have up to \$10,000.00 a year matched.

Rep. LaurieBeth Hager: How does this work with the federal system?

Jane Vangsness: It would reduce their loans.

Vice Chairman Cynthia Schreiber-Beck: Do you see any issues with the matching piece? What is your perspective on this?

Jane Vangsness: The matching is 1 to 1.

Vice Chairman Cynthia Schreiber-Beck: Continue with support with SB 2039.

Brenda Zastoupil, North Dakota University System: I was doing some calculations, and I think that will be a process as with other scholarships that other grants would be considered.

Vice Chairman Cynthia Schreiber-Beck: Is there a requirement to apply for other programs before this?

Brenda Zastoupil: It doesn't specifically say fafsa, but if we have the language that this is that last dollar that's implied.

Vice Chairman- Cynthia Schreiber-Beck: Continue with support of SB 2039.

Eric Hardmeyer, Bank of North Dakota: end 40:00 (Attachment 3) There are two bills that are dealing with workforce development. HB 1171 was passed by the house IBL and by the full house. That was amended to convert it from a scholarship to a forgivable loan. Since BND provides funding for both, and is engaged I thought it might be important for me to testify on this bill. These two bills might be combined at some time. Our preference would be SB 2039. It allows for 10 million dollars versus 5 million.

Vice Chairman- Cynthia Schreiber-Beck: Question?

Rep. Ron Guggisberg: If a student gets the 5 thousand dollars and works for a year and leaves North Dakota, do you make that into a student loan?

Eric Hardmeyer: It would convert to a debt instrument.

Vice Chairman- Cynthia Schreiber-Beck: Continue with support of SB 2039.

EIRoy Burkle, NDSOS: (Attachment 4) This type of scholarship is great.

Rep. Hoverson: I am hung up on the 2.5 GPA.

EIRoy Burkle: A lot of students struggle with grades.

Rep. Hoverson: In the bill, I was assuming that the GPA is while you are in college. Are we talking about high school or what?

Lisa Johnson: GPA is accumulative in college.

Vice Chairman Cynthia Schreiber-Beck: Continue with support.

Ellen Huber, Economic Development Association of ND (EDND): (Attachment 5)
(46:00-50:25)

Vice Chairman- Cynthia Schreiber-Beck: Any Questions?

Rep. LaurieBeth Hager: Is there no resident requirement?

Ellen Huber: If we can attract people and keep them as our future work force, we are very much interested in keeping them in our state.

Vice Chairman Cynthia Schreiber-Beck: Any Questions? Who is going to handle the marketing program?

Ellen Huber: I would agree. We haven't quite gotten to that point yet. We would certainly welcome the opportunity to do so and join together with higher education and BND and the economical development association to make sure that this program would be known in our state and beyond our state.

Vice Chairman- Cynthia Schreiber-Beck: Continue with support.

Mason Sisk, Asst. Executive Director, Technology Council of North Dakota:
(Attachment 6)

Vice Chairman- Cynthia Schreiber-Beck: Questions?

Rep. Ron Guggisberg: What are the top tech jobs?

Mason Sisk: The top jobs are cyber security and general IT jobs.

Vice Chairman- Cynthia Schreiber-Beck: Additional questions? Continue with SB 2039.

Cambree Smith, Vice President, ND Student Association: (Attachment 7) would also like to propose an amendment end 59:20

Vice Chairman Cynthia Schreiber-Beck: You are a student? Do you plan to stay in ND?

Cambree Smith: I am a student at Minot University. I will go out of state for law school but I plan to come back to ND.

Vice Chairman- Cynthia Schreiber-Beck: Continue with support of SB 2039.

Phil Murphy, Soybean Growers: I would have testified for this program 30 years ago. This is a great help for the state of ND.

Vice Chairman- Cynthia Schreiber-Beck: questions

Rep. Hoverson: From your perspective, do you see the soy bean industry stepping into it and offer scholarships?

Phil Murphy: I don't represent the soy bean council but I do represent the growers. It is certainly is a possibility.

Rep. Hoverson: If there is this demand, the government steps in to help, do you think that would in general lessen the demand response to pressure?

Phil Murphy: I did spend 36 years as an instructor some of that teaching economics but I don't want to touch that one.

Vice Chairman Cynthia Schreiber-Beck: Any other questions for Phil?

Matt Gardner, GNDC: We are here today in support of this bill. Work force is a big issue. Work force is likely the number one issue right now. It is important that we focus on those high demand career fields.

Vice Chairman Cynthia Schreiber-Beck: Support – Opposition- Neutral

Close hearing.

2019 HOUSE STANDING COMMITTEE MINUTES

Education Committee
Coteau A Room, State Capitol

SB 2039
3/20/2019
34027

- Subcommittee
 Conference Committee

Committee Clerk: Bev Monroe

Explanation or reason for introduction of bill/resolution:

A bill relating to the development and implementation of a skilled workforce scholarship program; to provide a continuing appropriation; and to provide for a transfer

Minutes:

Chairman Owens: Opened committee work on SB 2039.

Vice Chairman Cynthia Schreiber-Beck: The amendments were passed out and in 4 b cross out 'must have maintained at least a 2.75 grade point average', make it a 2.5 grade point average. This is the bill we passed out of committee called HB 1171. It hoghouses SB 2039 back to HB 1171.

Chairman Owens: In the House, we have a loan program where you can get repaid and all that other in claw backs and they have a giveaway grant program in the Senate. The House prefers the loan and the Senate prefers the giveaway program. They are hoghousing HB 1171 and turning it into SB 2039. We are helping them by doing the same thing on this side.

Rep. Ron Guggisberg: I'd like to **move the Amendment.**

Chairman Owens: Is there a second?

Vice Chairman Cynthia Schreiber-Beck: I'll **Second** it.

Rep. Hoverson: I would prefer it to go the other way on the grade point average to 3.0.

Rep. LaurieBeth Hager: I was able to talk to a student from NDSCS but did not ask him his GPA. In our conversation, I asked him what he thought the average GPA of fellow students may be. He replied that it was probably below 2.75. I am thinking this program was more like a stipend than a loan. I like the idea of a scholarship and that we are doing this academically, but I think we are looking at a different pool of our students who are going into the workforce. I don't think we want to remove these options for them because they are required to take algebra or chemistry or challenging themselves in some of those areas. To get that GPA at a 2.75 might be eliminating some of the students who could benefit from the scholarship.

Rep. Mary Johnson: Here is an example – you have no financial help and you work hard. The first thing you do is pay your rent, then the utilities and if you are lucky you have something leftover for groceries. I don't think we need to penalize those who have to spend their time supporting themselves. They might not do so well in a class or so because they don't have the time, but I don't think we should penalize those hard workers. I would like to see it move down to a 2.0.

Rep. Ron Guggisberg: The Department of Commerce was going to give me more information on this bill and I'm wondering if it wouldn't be better to give it to the whole committee.

Jim Leiman, Director, Economic Development and Finance & Assistant Director, Workforce Development: This is a lot less controversial, on line 19 where it states "workforce education advisory council", that organization hasn't existed for forty years. We were requesting a change to reflect the workforce development council. The Workforce Development Council is a group of thirty-plus private industry members as well as representatives such as Chancellor Hagerott from the North Dakota University System (NDUS) that know the in-demand occupations and in our opinion can define them very well based on trends within each targeted industry in the state as well as other industries that are suffering. For the best focused areas based on industry input as well as the group that already includes NDUS representation, we are requesting respectfully that that be changed to reflect the Workforce Development Council.

Vice Chairman Cynthia Schreiber-Beck: James is looking at the original SB 2039 which I questioned when I saw the advisory council and when we hoghouse it we actually use workforce development council, which is back to HB 1171. We have eliminated that advisory council but we will take that into consideration when we go into conference committee.

Chairman Owens: You don't have that advisory council in the amendment at all.

Vice Chairman Cynthia Schreiber-Beck: No, it does not exist in the original bill.

Chairman Owens: Now we know what to look for when they bring our 1171 back with their 2039 in it. Any further comments?

Rep. Hoverson: I can appreciate hard work and have never heard of a scholarship requiring a GPA as being a penalty. If we could change this from scholarship to subsidy, that might be more accurate. It is coming across more like a subsidy. Every chart you look at, subsidies don't help students, they drive up tuition. Where there are no subsidies, tuition goes down.

Vice Chairman Cynthia Schreiber-Beck: This is a loan program, it's not a scholarship program.

Rep. Hoverson: I thought it was a skilled workforce scholarship program, so that misled me.

Chairman Owens: That's what the Senate sent over. That's where the House and Senate are in disagreement.

Vice Chairman Cynthia Schreiber-Beck: The amendment is what you want to have in your hand. It is a totally hoghoused bill, meaning it has totally replaced the original 1171, except for the GPA.

Rep. Mary Johnson: On the top of page 2 of the amendment 'must remain and work in the state', should we have a time frame on that or leave it up to those tasked with that? Do you want a time frame on it or is specifically left off for a purpose?

Vice Chairman Cynthia Schreiber-Beck: If they are not employed, they won't have the benefit of a supplemental loan program. They have to remain here and be employed in order to have that one for one.

Rep. Mary Johnson: They can't get employed, get a benefit and take off. This is ongoing during their employment in this state?

Vice Chairman Cynthia Schreiber-Beck: Yes, so much per year or one-third of the value of the loan or accumulative amount of \$17,000.

Rep. Mary Johnson: Is it the intent, because nowhere in the amendment do I see non-public? Is it intended to cover private – because we had non-public listed before?

Vice Chairman Cynthia Schreiber-Beck: The piece about this is the student has accumulated a loan and they have had to apply for the loan process through the Bank of ND. They are on the books as having a loan. They could have attended a school and they have acquired a loan and if they are in those finite groups that we need workforce for, then they can enter this program and get assistance with their loan repayment. They are gainfully employed in the state of North Dakota.

Rep. Mary Johnson: I could go to a Minnesota school and take on loans through Minnesota and those can be taken on?

Vice Chairman Cynthia Schreiber-Beck: No, just North Dakota. They have to be employed in the state of North Dakota in one of those specified occupations. They could go to school wherever but they have to have an existing loan with the Bank of North Dakota.

Chairman Owens: Sections 8 and 9 are a dollar for dollar matching program too. It is not just public funds that are doing this. In order to get the public funds, the individuals are working on the apprenticeship program or working for that company already.

Vice Chairman Cynthia Schreiber-Beck: If there are now private funds coming in, there is no loan program.

Chairman Owens: We know the industries are interested in this because they are struggling to get qualified workforce right now.

Rep. Mary Johnson: On page 1 c in the amendment, 'or other participating lender', can we clarify? What is meant by that? What other lenders are there in North Dakota?

Vice Chairman Cynthia Schreiber-Beck: I don't have an answer to that but I can certainly find out.

Chairman Owens: If we can put the motion for the amendment on hold and let her get some answers, we can go further on that this afternoon.

When you fill out a financial aid application now you fill out the FAFSA, which used to be the PAL grant and before that it was the BEOG. Now, the FAFSA is an all-inclusive financial aid application. You still have to apply for scholarships separately, but as far as grants, student loans, secured student loans and interest free student loans, they are all taken off that one application.

Rep. Mary Johnson: inaudible

Chairman Owens: As far as this program goes, it has to come out of this fund and has to be a dollar for dollar match based on them getting participating industries. With this portion of the grant, you get federal dollars or you get a secured interest loan and you still need some money – so for that portion of it you can apply for this. It would actually be separate from FAFSA.

Rep. Mary Johnson: inaudible

Rep. LaurieBeth Hager: Under 4 a, who determines if it is a qualifying educational program from the Bank of North Dakota?

Chairman Owens: We are having issues with this bill because this is the first time we are seeing this. It originally went through IBL, because it is workforce.

Rep. Brandy Pyle: The higher ed board senate concurrent resolution went to Judiciary.

Chairman Owens: The SCR was supposed to come to us after talking to the assistant majority leader and the speaker sent it to judiciary, because it is a constitutional revision. SCR 4016 went to Judiciary rather than coming to us. It was discussed that it was done wrong because they were constitutional revisions and they needed to be sent to Judiciary. We will hold the motion till this afternoon.

Rep. Ron Guggisberg: I'll **withdraw the motion** till we see the amendments.

2019 HOUSE STANDING COMMITTEE MINUTES

Education Committee
Coteau A Room, State Capitol

SB 2039
3/20/2019
34044

- Subcommittee
 Conference Committee

Committee Clerk: Bev Monroe by Marjorie Conley

Explanation or reason for introduction of bill/resolution:

A bill relating to the development and implementation of a skilled workforce scholarship program; to provide a continuing appropriation; and to provide for a transfer.

Minutes:

Attachment 1

Chairman Owens: Reopened SB 2039. Our amendment is HB1171 as it was passed out to the senate.

Rep. Mary Johnson: (Attachment 1) On 4 – c on the bottom of page one where it says or other participating lender. Those are all lenders across the nation? Does BND have student loans?

Chairman Owens: Let me just clarify this real quick. All student loans now are done through Department of education. The only way another institution or bank is if someone has refinanced their student loans after they graduated and then they have it with another bank. The students are advised not to do that with many normal banks because they lose the ability if they work in government for 10 years to have the rest of it deferred, so they lose that option if they get it with a regular bank, they don't lose that if they have it with the BND, because it is a state bank. Student loans are not like it used to be. President Obama moved everything to the department of education so that 3% loans could become 6 1/2% loans.

Vice Chairman Schreiber-Beck: The student would have completed school, and had a student loan through any entity, we are looking for workforce issues as defined where we need people in the workforce and there is no payment where there are no matching funds and where there will be no payment for that individuals' loan even if he wasn't employed in the state of ND.

Rep. Grueneich: This is designed for the smaller industries that need more of the workforce. I don't think that restricting them to go to a ND school is necessarily the answer. The education is one thing but we want them to work, live and become established in the state of ND and that is the ultimate end result. In most cases, once they work in a community for a year or two years, they are established and

probably have a significant other friend. They are established within the community whether it be rural or recreational or sporting.

Vice Chairman Schreiber-Beck: I think we had a little discussion on the fact that if they were employed for a year and left their continuation of payment alone would be only eligible for that year of employment.

Rep. Grueneich: Actually that is not correct because on this the way this is set up there is no pay and then you get to play. You are going to have a student loan set up prior to, so you leave on your three, you are responsible for the money loaned.

Vice Chairman Schreiber-Beck: If they leave the state after one year, but their payment program leaves with them. They receive no more funding if they leave the state. We were talking on that they could be educated in any school as long as the criteria was with the workforce need. Out of state, in state wherever. The question has arisen about having the ND University system in the bill if indeed those individuals not necessarily had anything to do with the ND university system. I think the ND workforce development council has all the statistics anyway on where our workforce needs are.

Rep. Grueneich: I think that anytime you can have one entity as opposed to multiple. I think that would only strengthen your position.

Vice Chairman Schreiber-Beck: On page 1 Number 3, strike The North Dakota university system and. On page 1, 4b again it is 2.5 versus 2.75.

Rep. Hager: I have a question whether we need a GPA at all because we are giving them a loan and I know whether that is in there at all anymore. We have gone from a scholarship to a stipend to a grant and now we are talking about basic loans. This is the thing that if you are in the bank that's not the need of any concept of GPA at all.

Vice Chairman Schreiber-Beck: I intend to agree with you because these people have provided competency and finished a program and they have a loan and they have a job. What more can you ask? Please eliminate 4b and renumber accordingly. Any other comments that I will definitely take?

Rep. Zubke: On number 3, where it says the ND workforce development council shall compile a list of qualifying educational programs, is there something through job service that will actually determine that or is there already criteria set up to say that this is in high demand or this is an emerging occupation? Could I go to job service and ask for a list of high demand jobs or emerging occupation jobs?

Vice Chairman Schreiber-Beck: Yes, that is correct.

Rep. Hager: I am struggling a little bit about removing something that is education whether it is the university system or something, but looking at qualifying educational programs I think some component of the educational system versus the commerce system should be involved in compiling that list of the programs. We are looking at

programs that they will be going into, not a partnership.

Vice Chairman Schreiber-Beck: Motion to adopt amendment.

Rep. Mary Johnson: Second.

Rep. Pyle: Who are the members of the ND Workforce Development Council?

Vice Chairman Schreiber-Beck: I can look it up, but I am one of them. It is a very large membership on that workforce council, if you go online a number of state representatives, a number of two legislators, one from the senate, one from the house probably made up from industry representatives. Vast number of people. Higher ed is represented also.

Chairman Owens: Any further questions or comments?

Rep. Pyle: There is a variety and Dr. Hagerott is on there out of higher ed. There is a representation of different industries and there are 33 members.

Voice Vote to amend as presented. Voice vote carried

Rep. Mary Johnson: Motion to Do Pass SB 2039 as amended and rereferred to appropriations.

Vice Chairman Schreiber-Beck: Second.

Rep. Marshall: This will take \$5,000,000 from the BND. That would be our half of the total.

Chairman Owens: There has to be a one to one match. The other half has to be deposited in the BND. That is what this bill says. This is not a continuing appropriation.

Roll Call Vote taken Yes 11 No 1 Absent 2 .

Rep. M Johnson is the Carrier.

March 20, 2019

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2039

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 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.

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 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 a student loan with the Bank of North Dakota or other participating lender;
 - c. Following completion of a qualifying educational program must remain 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.
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."

Renumber accordingly

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

**2019 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 2039**

House Education Committee

Subcommittee

Amendment LC# or Description: 19.0294.05001 plus changes
See below

- 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. Schreiber-Beck Seconded By Rep. M. Johnson

Representatives	Yes	No	Representatives	Yes	No
Chairman M. Owens			Rep. Guggisberg		
V. Chair. Schreiber-Beck			Rep. Hager		
Rep. Heinert					
Rep. Hoverson					
Rep. D. Johnson					
Rep. M. Johnson					
Rep. Johnston					
Rep. Longmuir					
Rep. Marschall					
Rep. Pyle					
Rep. Strinden					
Rep. Zubke					

Total (Yes) _____ No _____

Absent _____

Floor Assignment VOICE VOTE - MOTION CARRIED

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

*page 1 Section 1 #3 Strike The North Dakota university System and
 page 1 section 1 #4 Lette b - Remove
 Renumber*

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

**2019 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 2039**

House Education Committee

Subcommittee

Amendment LC# or Description: 19.0294.05002

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. M. Johnson Seconded By Rep. Schreiber-Beck

Representatives	Yes	No	Representatives	Yes	No
Chairman M. Owens	✓		Rep. Guggisberg	✓	
V. Chair. Schreiber-Beck	✓		Rep. Hager	✓	
Rep. Heinert	A				
Rep. Hoverson	A				
Rep. D. Johnson	✓				
Rep. M. Johnson	✓				
Rep. Johnston		✓			
Rep. Longmuir	✓				
Rep. Marschall	✓				
Rep. Pyle	✓				
Rep. Strinden	✓				
Rep. Zubke	✓				

Total (Yes) 11 No 1

Absent 2

Floor Assignment Rep. M. Johnson

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

REPORT OF STANDING COMMITTEE

SB 2039, as engrossed: Education Committee (Rep. Owens, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (11 YEAS, 1 NAYS, 2 ABSENT AND NOT VOTING). Engrossed SB 2039 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 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.

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 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 a student loan with the Bank of North Dakota or other participating lender;
 - c. Following completion of a qualifying educational program must remain 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.
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."

Re-number accordingly

2019 HOUSE APPROPRIATIONS

SB 2039

2019 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee
Roughrider Room, State Capitol

SB 2039
3/27/2019
34278

- Subcommittee
 Conference Committee

Committee Clerk: Risa Bergquist

Explanation or reason for introduction of bill/resolution:

Relating to the development and implementation of a skilled workforce student loan repayment program; to provide a continuing appropriation; to provide for a transfer

Minutes:

Chairman Delzer: Called the meeting to order for SB 2039. This bill basically is a hog house and you put HB 1171 in it.

Representative Owens: That is exactly what we did, SB 2039 came to us as a giveaway program this is a grant program that requires matching funds and specific to high demand occupations to help without work force issues. This requires a 1 to 1 match so no money flows out unless industry participates.

Chairman Delzer: That's like if it's a nursing scholarship it would have to be somebody that is hiring a nurse, or a stem scholarship, it would be the industry that is hiring them.

Representative Owens: This only refers to consolidated loans at the bank of North Dakota or other consolidated loans at other banks. It's limited to 5667 dollars or 1/3 of the applicants is paid after and directly to the schools and it must meet the four qualifications listed.

Chairman Delzer: Why would it be paid to the school?

Representative Owens: I wouldn't be paid to the school; it would be paid directly to the bank.

Chairman Delzer: And the total they can receive is 17 thousand? And that would be a three-year deal? What happens if they move after two years? There's no recapture?

Representative Owens: Then we get those two years that they were here because it's paid after the fact. There's no recapture at this point.

Chairman Delzer: And it's up to the Bank to decide who gets it?

Representative Owens: The North Dakota Workforce Council shall compile a list of qualifying education programs that are specific to and working with Job Service of North Dakota annually to determine the eligible high demand occupations. Graduates of those qualifying programs may apply for this skilled workforce student loan and then there has to be a dollar for dollar match before any money is paid out, up to a maximum of 5 million dollars.

Chairman Delzer: Did you have any discussion about whether or not that list of what qualifies should have some kinds of legislative approval?

Representative Owens: We did not, the demands across the state change every six months, so I would be concerned about the reaction time.

Chairman Delzer: It's 5 million from the bank of North Dakota footings, and this a new program and there is no repayment on this?

Representative Owens: This is a new program to entice a private partnership for scholarships to build our workforce. Our unemployment rate is extremely low and yet we have plenty of jobs.

Chairman Delzer: The would have to work a whole year before they would get paid back. SB 2039 came over was 10 million dollars, was it considerably different?

Representative Owens: It was a giveaway program that the committee didn't like at all.

Chairman Delzer: Since you basically put a house bill in here are you aware of what they are doing?

Representative Owens: I understand that they hog housed SB 2071 into SB 2039 so if this passes the chamber and goes to the senate it will go into conference committee. There will be 1171 in one conference committee and 2039 in another.

Chairman Delzer: I would guess they will kill this bill and go to conference on 1171.

Representative Owens: If 1171 comes over looking like 2039 I already know at least 13 no votes.

Representative J. Nelson: In the appropriation the Bank profits, was that the same in both bills?

Chairman Delzer: 2039 was 10 million of bank profits and 1171 was 5 million in bank profits.

Representative J. Nelson: Was there any thought about another funding source? This is only for the upcoming biennium isn't there usually money left over for.

Chairman Delzer: That's already figured into the return and it's in the general fund budget statues already. The return from everything is 54 I think from K-12 is around 12.

Representative J. Nelson: There was 12 in human services.

Representative Sanford: Did the committee look at the success or history for these type of programs?

Representative Owens: The discussion wasn't about other states or federal programs that examine this other than getting into what is available for student loans and student grants. As far as this particular bill it was new to us, because this was a private public matching we thought that we unique enough to take it back to that.

Chairman Delzer: There are some fields that are paying 100% right now is this going to pay half of what they are already paying.

Representative Owens: Not unless it is considered high demand on occupation in North Dakota and there's a qualifying program in the state.

Chairman Delzer: That's why I don't like having someone else make this list.

Representative Owens: It's not just anyone else, it's the North Dakota Work Force Council along with our Job Service. Those two groups have invested interest in improving the workforce and two, in filling jobs.

Chairman Delzer: Any further discussion? Seeing none we will close this meeting.

2019 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee
Roughrider Room, State Capitol

SB 2039
4/1/2019
34377

- Subcommittee
- Conference Committee

Committee Clerk: Risa Bergquist

Explanation or reason for introduction of bill/resolution:

Relating to the development and implementation of a skilled workforce student loan repayment program; to provide a continuing appropriation; to provide for a transfer

Minutes:

3:10 Chairman Delzer: Called the meeting to order for SB 2039. This is the work force development bill, came over from the senate with 10 million and a little bit different. It does do 5 million out of the footings of the bank, it allows the bank and job service to decide which employment opportunities are in high enough demand to get some of this funding.

4:50 Representative Monson: In section 2, it talks about continuing appropriation, does this go on every biennium with 5 million?

Chairman Delzer: The funding I think would be there one time but if the fund wasn't used by the end of the biennium with a continuing appropriation it would still be in place to be used.

Representative Sanford: Is there a procured of following this kind of thing? We seem to attack these issues up front with a scholarship or in the back with loan forgiveness, I would like to know what kind of effect these have.

Representative Monson: Another thing in there's a lot of companies that already do this, so are we just giving them that back?

Chairman Delzer: Well it says in here they can't get it, if the individual is receiving forgiveness under any other provision than they may not receive a student loan repayment grant under this section under the same application year.

Representative Nathe: Is this a 1 to 1 match up to 5 million?

Chairman Delzer: Yes, and in sub section 9 it says anything that comes back is to be deposited in the fund to be a revolving type of loan.

Representative Monson: I like this idea but I think we could do better.

Chairman Delzer: I think we could defiantly have some kind of reporting requirements.

Representative Monson: Can you give us a little time to work on some kind of amendment for a reporting requirement?

Representative Beadle: This one compared to HB 1171, I served on the interim taxation committee as we were working on this and originally it was put in as a scholarship fund so we were paying for it in the front. Through the interim we had a few others that wanted to change it to the back end because it models more of what South Dakota is doing. I think the reporting requirements would be a good addition.

Chairman Delzer: No further discussion? We will hold that until we get those amendments.

2019 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee
Roughrider Room, State Capitol

SB 2039
4/2/2019
34458

- Subcommittee
 Conference Committee

Committee Clerk: Risa Bergquist

Explanation or reason for introduction of bill/resolution:

Relating to the development and implementation of a skilled workforce student loan repayment program; to provide a continuing appropriation; to provide for a transfer.

Minutes:

Chairman Delzer: SB 2039 is a bill that deals with work force enhancement, came out of the senate as a scholarship and grant type of program. My understanding is the house education committee did was put HB 1171 into this bill. HB 1171 is in the senate and that has been amended pretty close to this bill. We were asked to put a DO Not Pass on this bill so that they can conference on one bill instead of two.

Representative Brandenburg: Do Not Pass

Representative J. Nelson: Second

Chairman Delzer: Discussion on the motion? One of the differences is the senate wanted 10 million dollars and the House is at 5. The other thing the House is more about paying off loans and possibly some kind of scholarships but not grants, the Senate has more grants. I think there is some compromised language being discussed on HB 1171. We were talking about making sure there was reporting requirements on it, they are planning on adding that into HB 1171 as well.

Representative J. Nelson: Why we need this today? I thought we'd see how the conference committee is progressing before we move this.

Chairman Delzer: We were asked to put this in that bill, that's the reason for the Do Not Pass.

Representative J. Nelson: The question should be asked where does the best policy come from?

Chairman Delzer: We don't want it out here that there are two different bills out there that they are conferring from two different committees. Any further discussion? Seeing none we will call the roll.

A Roll Call vote was taken. Yea: 12 Nay: 7 Absent: 2

Motion Carries, Representative Brandenburg will carry the bill.

Chairman Delzer: We will close the meeting for SB 2039.

Date: 4/2/2019
 Roll Call Vote #: 1

**2019 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. SB 2039**

House 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 Representative Brandenburg Seconded By Representative J. Nelson

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer	X				
Representative Kempenich	A				
Representative Anderson	X		Representative Schobinger	X	
Representative Beadle		X	Representative Vigesaa	X	
Representative Bellew	X				
Representative Brandenburg	X				
Representative Howe	X		Representative Boe	A	
Representative Kreidt	X		Representative Holman		X
Representative Martinson		X	Representative Mock		X
Representative Meier		X			
Representative Monson	X				
Representative Nathe		X			
Representative J. Nelson		X			
Representative Sanford	X				
Representative Schatz	X				
Representative Schmidt	X				

Total (Yes) 12 No 7

Absent 2

Floor Assignment Representative Brandenburg

Motion Carries

REPORT OF STANDING COMMITTEE

SB 2039, as engrossed and amended: Appropriations Committee (Rep. Delzer, Chairman) recommends **DO NOT PASS** (12 YEAS, 7 NAYS, 2 ABSENT AND NOT VOTING). Engrossed SB 2039, as amended, was placed on the Fourteenth order on the calendar.

2019 TESTIMONY

SB 2039

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 supply¹.
- “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 market², and employers are unable to find enough sufficiently trained workers to fill these jobs.

The 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 program is accessed.

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 Skilled Workforce Scholarship Program does not yet delineate the educational programs that would qualify, but would require it to be completed within four semesters and pertain to the technical skills in high demand.

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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1-9-19
Att.#1
P2

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.

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



16% increase in community college retention rate



33% increase in college completion rate



13% increase in community college enrollments



John Richman, Ph.D.
President
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701.671.2221

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



SB 2039
1-9-19
Att. #2
p 1 of 2

Testimony of Shawn Wenko
Economic Development Association of North Dakota
In Support of SB 2039
January 9, 2019

Chairman Schaible and members of the Senate Education Committee:

I'm Shawn Wenko, executive director of Williston Economic Development and vice president of the Economic Development Association of North Dakota (EDND). On behalf of EDND, I stand before you in support of SB 2039.

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 scholarship 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.

SB 2039
6-9-18
AH, #2
P 2 of 2

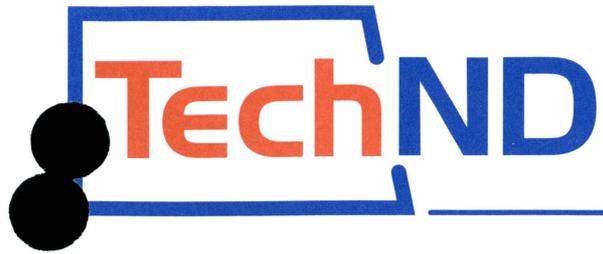
This approach has been successful in North Dakota on a regional level but should be opened up to attract and retain additional students statewide. A good example is the Williston State College (WSC) Regional County Graduate Scholarship program. Eligibility has now expanded to include high school graduates 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 SB 2039.



SB 2039
1-9-19
AH #3
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 SB 2039
January 9, 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 2039.

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 scholarship 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 SB 2039.



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2-4-19
A1
P1

Testimony of Ellen Huber
Economic Development Association of North Dakota
In Support of SB 2039
February 4, 2019

Chairman Holmberg and members of the Senate Appropriations 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 SB 2039.

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 scholarship 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.

P1

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2-4-19
#1
P 2

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.

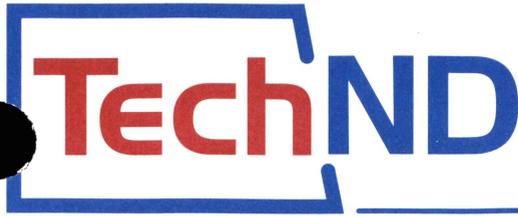
Other states, including South Dakota, Tennessee, Montana, Oregon, California, Nevada, Minnesota, New York, Arkansas, Kentucky, Delaware, and Rhode Island, have all identified this as a key to workforce attraction and have implemented programs similar to what has been outlined in this bill. South Dakota's 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 SB 2039.

P 2



2-4-19 SB 2039

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

2
P 1

In Support of SB 2039
February 4, 2019

Chairman Holmberg and members of the Senate Appropriations 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 2039.

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 scholarship 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 SB 2039.

P 1

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2-4-19
#3

PROPOSED AMENDMENT TO SENATE BILL NO. 2039

P1 ●

Page 1, line 14 after "programs" insert "at any institution of higher education in North Dakota"

Renumber accordingly



SB 2039
2-4-19

#1
P1

Proposed Amendments to Senate Bill 2039
Version 19.0294.02000

Page 1, Section 1—Lines 5-12

SECTION 1. A new section to chapter 6-09 of the North Dakota Century Code is created

and enacted as follows:

Skilled workforce scholarship program - Development and implementation.

1. The ~~Bank of North Dakota~~ [North Dakota University System](#) shall adopt rules to develop, implement, and promote, and administer a skilled workforce scholarship program in conjunction with the ~~North Dakota university system and the workforce education advisory council~~ [and Bank of North Dakota](#) with the intent of attracting and retaining students for professional or technical skills in high demand in this state.

Page 1, Section 4—Lines 19-23 and Lines 1 & 2 on Page 2

4. Scholarships must be provided in the form of a grant [administered by the educational institution at which the student is enrolled.](#) ~~administered by the Bank of North Dakota.~~ Each quarter or semester the ~~Bank of North Dakota~~ shall forward the amount of the scholarships payable under this section directly to the institution in which the student is enrolled. The amount of the scholarship is equal to the amount charged each quarter or semester by the educational institution at which the student is enrolled for the tuition, fees, books, and supplies required for the qualifying educational program.

PROPOSED AMENDMENTS TO SENATE BILL NO. 2039

Page 1, line 1, replace "two new sections to chapter 6-09" with "a new section to chapter 15-10"

Page 1, remove lines 5 through 23

Page 2, replace lines 1 through 28 with:

"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 education 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 a qualifying education program, a

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student who received a scholarship under this section must remain and work in this state for a minimum of three years.

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Ag 2

6. An individual must 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."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment consolidates the skilled workforce scholarship program and fund in one section of North Dakota Century Code, provides for the State Board of Higher Education to administer the program rather than the Bank of North Dakota, and provides other minor technical corrections.

SB2039

House Education Committee

March 5, 2019

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

Chair Owens and members of the House 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 Senate Bill 2039.

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, SB2039 does just that and the NDUS further believes that a scholarship like this encourages increases 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 and the North Dakota Commerce Department 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 for the purpose of implementing this scholarship.

It is important to note that this scholarship, covering the costs of tuition, fees, books, and supplies for qualifying educational programs, requires students to maintain a 2.5 cumulative grade point average, 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.

The NDUS respectfully recommends a number of relatively minor amendments that are attached to this testimony for your consideration.

This concludes my testimony in support of SB2039, and I will stand for questions or comments from the Committee.

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3-5-19
#1

Sixty-sixth
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2039

Introduced by

Legislative Management
(Taxation Committee)

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

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

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

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

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

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

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

22 3. The state board of higher education and the workforce education advisory council
23 shall compile a list of qualifying educational programs by August first of each

| yearannually.

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- 1 Qualifying educational programs at the associate level or below must be able to be
2 completed within four semesters
- 3 or eight quarters and pertain to the technical skills in high demand in this state.
- 4 4. Individuals enrolled in a qualifying educational program in this state may apply for a
5 scholarship under this section. Scholarships are limited to the amount charged each
6 quarter or semester by the educational institution for the tuition, fees, books, and
7 supplies required for the qualifying educational program and is intended to be a last
8 dollar scholarship after other scholarships and grants are applied. ~~The scholarships~~
9 may
10 supplement any other scholarship or grant financial aid received by a student to assist
11 the student with the costs of the qualifying educational program.
- 12 5. To be eligible for a scholarship under this section, a student shall maintain a 2.5
13 cumulative grade point average, based on a 4.0 grading system. A student may not
14 receive scholarships under this section for more than the equivalent of four semesters
15 of full-time enrollment or eight quarters of full-time enrollment. Upon completion of a
16 qualifying educational program, a student who received a scholarship under this
17 section shall ~~remain-reside~~ and work in this state for a minimum of three years in a
18 high-demand field.
- 19 6. An individual shall repay the scholarship pursuant to the terms in the individual's
20 scholarship award agreement if the individual fails to maintain a 2.5 cumulative grade
21 point average while enrolled, discontinues attendance before the completion of any
22 semester or quarter for which a scholarship has been received, or fails to remain and
23 work in this state for at least three years following degree or certificate completion.
- 24 7. Each quarter or semester, the state board of higher education shall distribute ~~grants-~~
25 funds to
26 institutions of higher education to provide the amounts necessary for the scholarships
27 awarded to the students enrolled in each institution. The state board of higher
28 education may distribute ~~grants-funds~~ only to the extent that ~~the private sector has~~
provided
one dollar of matching funds has been provided, which may include privately funded
institutional scholarships, 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

4

29 ending June 30, 2021.

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#1

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#2

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 supply¹.
- “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 market², 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 through attracting and retaining students in high-demand technical careers.

Student Affordability & Cost Efficiency

The Skilled Workforce Scholarship 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 program is accessed.

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 Skilled Workforce Scholarship Program calls for the workforce education advisory council to annually compile a list of the educational programs that would qualify. Academic programs would need to be completed within four semesters and students would be required to work in North Dakota for minimum of three years following graduation.

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.

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



16% increase in
community college
retention rate



33% increase in
college
completion rate



13% increase in
community college
enrollments



John Richman, Ph.D.

President

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701.671.2221

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

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

Eric Hardmeyer
BND

SB 2039
3-5-19
#3

	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



North Dakota Small Organized Schools

SB 2039
3-5-19
#4

Mr. ElRoy Burkle
Executive Director
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Jamestown, 58401
Eburklendsos@gmail.com
701-230-1973

Mr. Brandt Dick
President
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Brandt.Dick@underwoodschool.org
701-442-3274

Mrs. Janet Brown
Business Manager
925 Riverview Drive
Valley City, ND 58072
janet.brown@k12.nd.us
701-845-2910

March 2, 2019

Chairman Owens, and Members of the ND House Education Committee,

For the record, my name is Mr. ElRoy Burkle, Executive Director of North Dakota Small Organized Schools (NDSOS).

NDSOS supports SB 2039 – skilled workforce scholarships. With the extreme shortage of skilled labor in our State, providing scholarships that require completers to remain and work in North Dakota for a minimum of three years is a true ‘grow your own’ approach. Utilizing profits from the Bank for North Dakota only to the extent that the private sector has provided a one dollar of matching funds for each dollar provided by the State provides a financial partnership.

Thank you for your time and I shall stand for questions.

Respectfully,

s/s Mr. ElRoy Burkle

Mr. ElRoy Burkle, Executive Director

ND Small Organized Schools

1419 9th Ave NE

Jamestown, ND 58401

Cell: 701-230-1973 Email eburklendsos@gmail.com

Revised March 2, 2019

File: SB 2039 Workforce Scholarship 19.024.0500 House Ed March 5

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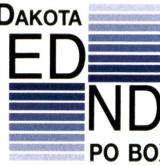
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Mr. Brandt Dick, Supt. Underwood

Region 6

Mr. Mitch Carlson, Supt. LaMoure
Dr. Steven Johnson, Supt. Lisbon

The mission of NDSOS is to provide leadership for the small/rural schools in North Dakota and to support legislation favorable to their philosophy while opposing legislation that is harmful.



SB 2039
3-5-19
#5

Testimony of Ellen Huber
Economic Development Association of North Dakota
In Support of SB 2039
March 5, 2019

Chairman Owens and members of the House 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 SB 2039.

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 scholarship 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.

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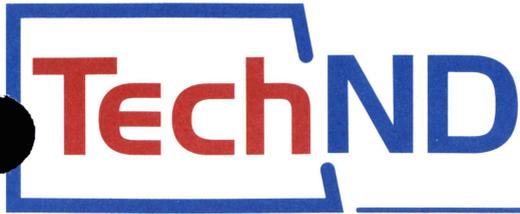
This approach has been successful in North Dakota on a regional level but should be opened up to attract and retain additional students statewide. A good example is the Williston State College (WSC) Regional County Graduate Scholarship program. Eligibility has now expanded to include high school graduates 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 SB 2039.



SB 2039

3-5-19

#6

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

In Support of SB 2039
March 5, 2019

Chairman Owens and members of the House 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 2039.

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 scholarship program outlined in this bill has the potential to impact the number of students pursuing degrees in high-demand career areas, including technology. Therefore, we'd urge your favorable consideration of SB 2039.

①



North Dakota Student Association

Testimony for SB 2039
Prepared by Cambree W. Smith, Vice President
Tuesday, March 5, 2019

Chairman Owens, 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 Senate Bill 2039.

Senate Bill 2039 would allow students, pursuing high-demand careers in the state of North Dakota, to receive a workforce development scholarship for up to four semesters. This provides the necessary means for students to focus on the final steps of schooling without the additional fiscal stresses of tuition.

Students are faced with many obstacles and concerns—as seniors even more so. Seniors 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. 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 scholarship, students will be able to complete their schooling 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 scholarship 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 filling 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 workforce development scholarship—for the benefit of both the state and students. As such, we urge you to support the creation of a workforce development scholarship as well. Thank you for listening and your time today.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2039

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 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.

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 ^{2.5}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;

Remove
and
Re-number

- 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.

#1
SB 2039
3-20-19

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

Renumber accordingly