



North Dakota Legislative Council

Prepared for the Higher Education Committee
LC# 23.9060.01000
August 2021

OTHER DUTIES OF THE HIGHER EDUCATION COMMITTEE - BACKGROUND MEMORANDUM

In addition to the study responsibilities assigned to the Higher Education Committee for the 2021-22 interim, the committee has been assigned the following responsibilities:

- Receive a report from the State Board of Higher Education by September 1 of each even-numbered year pursuant to North Dakota Century Code Section 15-10-38.1 regarding the skilled workforce student loan repayment program.
- Receive a report from the State Board of Higher Education by September 1 of each even-numbered year pursuant to Section 15-10-38.2 regarding the skilled workforce scholarship program.
- Receive annual reports from the State Board of Higher Education pursuant to Section 15-10-59 regarding North Dakota academic scholarships and career and technical education (CTE) scholarships.
- Receive a biennial report from the University of North Dakota (UND) School of Medicine and Health Sciences Advisory Council pursuant to Section 15-52-04 regarding the strategic plan, programs, and facilities of the school.
- Receive reports from any tribally controlled community college receiving a grant under Chapter 15-70 detailing grant expenditures and recipient demographics.
- Receive a report from the State Board of Higher Education pursuant to Section 15-54.1-02 regarding the use of funding in the University System capital building fund, the source of matching funds, and each institutions' 5-year plan for capital construction spending.
- Receive a report from the State Board of Higher Education pursuant to Section 22 of Senate Bill No. 2003 (2021) regarding the transfer of appropriation authority among the operations, capital assets, and capital building fund line items within subdivisions 2 through 14 of Section 1 of House Bill No. 1003 (2021).

SKILLED WORKFORCE STUDENT LOAN REPAYMENT AND SCHOLARSHIP PROGRAMS

The 2019 Legislative Assembly enacted legislation to create the skilled workforce student loan repayment and scholarship programs. The programs were created to assist businesses in attracting and retaining talent in high-demand and emerging occupations. Known collectively as ND Career Builders, the workforce development programs have two components--scholarships for students enrolled in qualifying programs and student loan repayment for employees in the state who graduated from qualifying programs.

Section 15-10-38.1 provides for the skilled workforce student loan repayment program and requires the State Board of Higher Education to provide a biennial program report to the Legislative Management by September 1 of each even-numbered year. Section 15-10-38.2 provides for the skilled workforce scholarship program and requires the State Board of Higher Education to provide a biennial program report to the Legislative Management by September 1 of each even-numbered year.

NORTH DAKOTA CAREER AND TECHNICAL EDUCATION SCHOLARSHIPS AND ACADEMIC SCHOLARSHIPS

The 2009 Legislative Assembly enacted legislation to create the CTE and academic scholarship programs. The legislation established eligibility criteria for the scholarship programs in Chapter 15.1-21, and the criteria were subsequently adjusted by the Legislative Assembly in 2011, 2013, 2015, 2017, and 2021. The current eligibility requirements provide a student must be a resident of the state and meet the following program requirements for one of the programs as follows:

Career and Technical Education Scholarship	Academic Scholarship
Complete 4 units of English language arts	Complete 4 units of English language arts
Complete 3 units of mathematics, including 1 unit of Algebra II and 2 units of other mathematics	Complete 1 unit of Algebra II, 1 unit of mathematics for which Algebra II is a prerequisite, and 1 unit of any other mathematics
Complete 3 units of science	Complete 3 units of science
Complete 3 units of social studies	Complete 3 units of social studies
Complete 1 unit of physical education or .5 unit of physical education and .5 unit of health	Complete 1 unit of physical education or .5 unit of physical education and .5 unit of health
Complete 2 units of a coordinated study plan as recommended by the Department of Career and Technical Education	Complete 2 units of the same foreign language, the same Native American language, American sign language, or CTE from a coordinated study plan approved by the Superintendent of Public Instruction
Complete 1 unit selected from foreign language, Native American language, American sign language, fine arts, or CTE	Complete 1 unit selected from foreign language, Native American language, American sign language, fine arts, or CTE
Complete 5 additional units, two of which must be in the area of CTE	Complete any 5 additional units
Obtain a cumulative grade point average of at least 3.0 on a 4.0 grading scale for all courses taken or only for courses taken that are required for the scholarship	Obtain a cumulative grade point average of at least 3.0 on a 4.0 grading scale for all courses taken or only for courses taken that are required for the scholarship
Obtain a grade of at least "C" in each unit or one-half unit required for the scholarship	Obtain a grade of at least "C" in each unit or one-half unit required for the scholarship
Receive a composite score of at least 24 on the ACT or a score of at least 5 on each of three WorkKeys assessments	Receive a composite score of at least 24 on the ACT
	Fulfill 1 unit required for the scholarship through an advanced placement course or fulfill .5 unit required for the scholarship through a dual-credit course

Any student who meets the requirements for a CTE scholarship or an academic scholarship is eligible to receive a scholarship of \$750 per semester, or \$500 per quarter, for each period the student is enrolled full-time at a North Dakota higher education institution and maintains eligibility up to a maximum amount of \$6,000. Scholarships may be provided to students for up to 6 years following the student's graduation from high school. A student may continue to receive a scholarship if the student is enrolled in a graduate program and has not received the lifetime maximum amount of scholarship awards.

The 2021-23 biennium legislative appropriation provides \$16,216,749 from the general fund for the program, an increase of \$4.2 million from the amount appropriated for the 2019-21 biennium. Section 15-10-59 ([Appendix A](#)) requires the State Board of Higher Education to provide an annual report to the Legislative Management regarding the number of North Dakota academic and CTE scholarships awarded and demographic information pertaining to the recipients.

**UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE
AND HEALTH SCIENCES ADVISORY COUNCIL**

Section 15-52-04 ([Appendix B](#)) provides the Legislative Management receive a biennial report from the UND School of Medicine and Health Sciences Advisory Council. The report is to provide recommendations regarding the strategic plan, programs, and facilities of the school. Recommendations for implementing strategies through the school must address the health care needs of the people of the state and provide information regarding the state's health care workforce needs. Additionally, recommendations of the advisory council may address the areas of medical education and training, recruitment and retention of health care professionals, factors influencing the practice environment of health care professionals, access to health care, patient safety, quality of health care, and financial challenges in the delivery of health care.

The School of Medicine and Health Sciences Advisory Council consists of 16 members, including a majority party member and minority party member from both the Senate and House of Representatives. Other members to the advisory council are selected by the Department of Human Services, the State Board of Higher Education, the State Department of Health, the North Dakota Medical Association, the North Dakota Hospital Association, the Department of Veterans' Affairs hospital in Fargo, the North Dakota Center for Nursing, the UND Center for Rural Health, and the Dean of the School of Medicine and Health Sciences.

GRANTS TO TRIBALLY CONTROLLED COMMUNITY COLLEGES

Chapter 15-70 ([Appendix C](#)) creates an assistance program for tribally controlled community colleges located in the state. Funding is to be distributed to the tribally controlled community colleges to defray the costs of education associated with the enrollment of nonbeneficiary students.

In order to qualify for a grant, a qualified institution must submit an application to the State Board of Higher Education that documents the enrollment status of each student for whom financial assistance is sought. If an application is approved, the State Board of Higher Education is to distribute an annual payment to the institution for each nonbeneficiary student enrolled at the institution. The amount of payment is to be equal to the per-student payment provided to institutions under the federal Tribally Controlled Colleges and Universities Assistance Act of 1978 or a prorated amount if funding is limited.

Each tribal college receiving a grant under Chapter 15-70 is to submit a report to the Legislative Management detailing the expenditures of the grant funds received by the institution. Additionally, each college is to submit a copy of the institution's latest audit report and documentation of the enrollment status of each student for whom financial assistance is requested. Any institution that fails to meet the reporting requirements is ineligible to receive future grants until the required information is submitted.

The table below details legislative appropriations for grants to tribally controlled community colleges.

	General Fund	Student Loan Trust Fund	Total
2011-13 biennium	\$1,000,000		\$1,000,000
2013-15 biennium	\$1,000,000		\$1,000,000
2015-17 biennium	\$467,250	\$500,000	\$967,250
2017-19 biennium	\$100,000	\$500,000	\$600,000
2019-21 biennium	\$1,000,000		\$1,000,000
2021-23 biennium	\$1,000,000		\$1,000,000

CAPITAL BUILDING FUND PROGRAM

The Legislative Assembly established a capital building fund program for the 2019-21 biennium in Sections 29 and 30 of House Bill No. 1003 (2019), including one-time appropriations of \$17 million from Bank of North Dakota profits and \$2 million from the general fund which were to be matched by other institutional funds as follows:

	Tier II		Tier III	
	Bank of North Dakota Profits	Institution Match (\$1 to \$1)	General Fund and Bank of North Dakota Profits	Institution Match (\$2 to \$1)
Bismarck State College	\$425,693	\$425,693	\$500,000	\$1,000,000
Dakota College at Bottineau	106,064	106,064	500,000	1,000,000
Lake Region State College	177,375	177,375	500,000	1,000,000
North Dakota State College of Science	500,695	500,695	500,000	1,000,000
Williston State College	137,947	137,947	500,000	1,000,000
Dickinson State University	268,862	268,862	500,000	1,000,000
Mayville State University	240,029	240,029	500,000	1,000,000
Minot State University	572,801	572,801	500,000	1,000,000
Valley City State University	309,137	309,137	500,000	1,000,000
North Dakota State University	2,899,596	2,899,596	2,250,000	4,500,000
University of North Dakota	4,361,801	4,361,801	2,250,000	4,500,000
Total	\$10,000,000	\$10,000,000	\$9,000,000	\$18,000,000

The funding in Tier II was appropriated directly to the institutions and the funding in Tier III was appropriated to the North Dakota University System office with a directive to allocate the money as identified in the schedule above as matching funds are secured. An additional \$11.1 million from the general fund, which must be matched by each institution with \$2 from operations or other sources for each \$1 of extraordinary repairs funding used for a project, was appropriated in the capital assets line item of each institution for extraordinary repairs. This amount was considered Tier I of the capital building fund program.

The Legislative Assembly continued the capital building fund program for the 2021-23 biennium in Sections 6, 7, and 14 of Senate Bill No. 2003 (2021), including a transfer of \$19 million from the strategic investment and improvements fund to the University System capital building fund. The allocations by school remained the same as for the 2019-21 biennium and continuing appropriation authority was established to spend from the fund in Section 15-54.1-01. Section 15-54.1-02 provides for the State Board of Higher Education to report to the Legislative Management regarding the use of funding in the University System capital building fund, the source of matching funds, and each institutions' 5-year plan for capital construction spending.

TRANSFER OF APPROPRIATION AUTHORITY

The Legislative Assembly approved Section 22 of Senate Bill No. 2003 (2021) to allow for the transfer of appropriation authority from the operations line item to the capital assets line item within subdivisions 2 through 14 of Section 1 of Senate Bill No. 2003. The State Board of Higher Education is required to report to the Legislative Management regarding any line item transfers made pursuant to the section.

ATTACH:3