

**FISCAL NOTE**  
**Requested by Legislative Council**  
**01/19/2015**

Bill/Resolution No.: HB 1433

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$742,000		\$1,392,000	
Appropriations			\$742,000		\$1,392,000	

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Provides \$1,500 grant/yr. (total \$6,000) for student loan repayment to college graduates employed in "high demand" occupations, as defined by Job Service, and who are employed for at least 12 months in ND.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Provides \$1,500 grant/yr. (total \$6,000) for student loan repayment to college graduates employed in "high demand" occupations for at least 12 months.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

\$1,500 grant/yr (total \$6,000) for estimated 1,500 new students/yr. (plus continuation of grant for up to 4 years) in high demand occupations as identified by Job Service ND, and meeting the GPA and employment requirements. This is likely a very conservative estimate since it is based on current number of completors.

2015-17=\$650,000; 17-19=\$1,300,000

Additional staffing and related operating, including IT programs, will be required for administration of new program=estimated cost for .25 FTE is \$46,000/yr or \$92,000/biennium.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

\$1,500 grant/yr (total \$6,000) for estimated 1,500 new students/yr. (plus continuation of grant for up to 4 years) in high demand occupations as identified by Job Service ND, and meeting the GPA and employment requirements. This is likely a very conservative estimate based on current number of completors.

2015-17=\$650,000; 17-19=\$1,300,000

Additional staffing and related operating, including IT programs, will be required for administration of new program=estimated cost for .25 FTE is \$46,000/yr or \$92,000/biennium.

Since this is a new program there are no funds currently ( for either the student grant or administrative costs), provided to the NDUS in support of this program.

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**Date Prepared:** 01/26/2015

**2015 HOUSE EDUCATION**

**HB 1433**

# 2015 HOUSE STANDING COMMITTEE MINUTES

**Education Committee**  
Pioneer Room, State Capitol

HB 1433

2/3/2015

23097

Subcommittee

Conference Committee

Committee Clerk Signature

*Donna Whelan*

## Explanation or reason for introduction of bill/resolution:

Relating to student loan repayment grants for high-demand occupations.

Attachment # 1.

## Minutes:

**Chairman Nathe:** opened the hearing on HB 1433.

**Representative Marie Strinden:** District 18, introduced HB 1433. (1:00- 3:043) (See Attachment # 1).

**Rep. Koppleman:** This bill doesn't have to be someone who comes from out state correct?

**Representative Strinden:** The way it is written now is you would have to have gone to North Dakota school.

**Rep. Koppleman:** So could the person receiving this also have taken advantage of another opportunity. There are other programs, could it be possible that person could have gotten those also?

**Representative Strinden:** They could have participated in a scholarship program. If that is something the committee didn't want you could make an amendment on that.

**Chairman Nathe:** This is for high demand jobs, they have to work for at least 12 months and they get paid pretty well, why give these classification of jobs a loan program?

**Representative Strinden:** That is true in some cases. It is really hard to keep the people in these jobs in North Dakota, and it might help fill the jobs in North Dakota and keep them here.

**Chairman Nathe:** Some of the responsibility should fall on the employer to keep their employee.

**Rep. Rohr:** Could you be specific high demand occupations, which ones are not addressed?

**Representative Strinden:** A high demand job is where the need for the job out paces the number of people that are out there to fill the job. Such as ex-ray tech's, emergency personal that is an example of where the gap is not filled yet.

**Rep. Rohr:** So is it mostly medical professionals?

**Representative Strinden:** No it is across all professions.

**Rep. Kelsh:** They would have to go to a North Dakota school, and I don't know did you intentionally leave out veterinarian, dentists and such? Would this not include them because they have to attend a North Dakota school.

**Representative Strinden:** No this would not include them. We wanted to focus on the professions you can study for in North Dakota. But that could be amended.

**Rep. Kelsh:** So it was your intention to cover people who did not have a loan pay down programs now?

**Representative Strinden:** Correct.

**Chairman Nathe:** Any other support? None. Any opposition for HB 1433. None. Closed the hearing on HB 1433.

**Rep. Looyesen: Moved Do Not Pass on HB 1433.**

**Rep. Koppleman: Seconded.**

**Rep. Looyesen:** The logic is since it is a high demand job we should help them out so they stay in our state. I think if we would use the money in a more effective way by taking specific jobs and helping them instead of painting a broad brush.

**Rep. Olson:** These high demand jobs are usually profitable, they get good pay, they could provide their own loan forgiveness plan to attract employees.

**Rep. Rohr:** I support the motion, we have a lot of high demand jobs in STEM, IT and health sciences and we have a lot of loan repayment options for those positions.

**A Roll Call Vote was taken. Yes: 10 No: 2 Absent: 1. Motion Carried.**

**Rep. Looyesen: will carry the bill.**

Date: 2/3/15  
Roll Call Vote #: 1

2015 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1433

House 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 Rep. Looyen Seconded By Rep. Koppelman

Representatives	Yes	No	Representatives	Yes	No
Chairman Nathe	✓		Rep. Hunskor	✓	
Vice Chairman Schatz	✓		Rep. Kelsh		✓
Rep. Dennis Johnson	✓		Rep. Mock		✓
Rep. B. Koppelman	✓				
Rep. Looyen	✓				
Rep. Meier	A				
Rep. Olson	✓				
Rep. Rohr	✓				
Rep. Schreiber Beck	✓				
Rep. Zubke	✓				

Total (Yes) 10 No 2

Absent 1

Floor Assignment Rep. Looyen

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

**REPORT OF STANDING COMMITTEE**

**HB 1433: Education Committee (Rep. Nathe, Chairman) recommends DO NOT PASS (10 YEAS, 2 NAYS, 1 ABSENT AND NOT VOTING). HB 1433 was placed on the Eleventh order on the calendar.**

**2015 TESTIMONY**

**HB 1433**

# ( HB 1433  
2/3/15

Good morning Mr. Chairman and members of the Committee. I am Marie Strinden, Representative from District 18 in Grand Forks.

House Bill 1433 is a workforce development bill that also helps people in North Dakota pay off their student loans. It provides student loan repayment grants for North Dakotans working in high-demand occupations, as defined by ND Job Service. The state board of higher education will administer the program. The bill does not restrict these grants to people working in oil producing counties as the eastern side of the state is having issues filling high-demand jobs as well, but could be amended to include only oil producing counties.

A high demand job is one identified by job service as having a projected growth rate that exceeds the average annual employment growth rate in this state. You can find the high demand jobs at:

<https://www.ndworkforceintelligence.com>

To be eligible for a student loan repayment grant under this bill, a person must have graduated from an accredited institution of higher education in this state- 2 or 4 year, have maintained at least a 3.0 grade point average, have their loan through the Bank of North Dakota and in good standing, and have been employed in North Dakota for at least twelve months in a high demand occupation, other than one for which a loan forgiveness or loan repayment program has already been established. The maximum grant for which an applicant may apply is \$1,500/year, and an applicant may not receive more than \$6,000 total.

You'll notice that legislative council has not included a fiscal note with this bill. Because your committee has an overall view of all of the loan paydown and scholarship bills before you, we wanted to leave the appropriation up to this committee.

On page two, lines 4-8, there's a provision that an applicant must pay any funds received in the last three years if he or she becomes a resident in another state. I think this provision may be too harsh, as a person must work in North Dakota for one year before he or she can receive a loan, and if he or she requires the maximum amount of money, he or she will have worked in the state for four years. As we've heard when working on workforce-development bills, four years of work is often enough time for a person to put down roots in North Dakota and stay to raise a family. Therefore, I would be supportive of amending-out section 5 of page two.

There are a lot of student loan repayment programs in the state, and this high-demand job loan paydown program could be a way in the future to consolidate some of those programs under the same program umbrella, as high demand jobs cover a lot of other jobs.



North Dakota Hospital Association

**Vision**

*The North Dakota Hospital Association will take an active leadership role in major Healthcare issues.*

**Mission**

*The North Dakota Hospital Association exists to advance the health status of persons served by the membership.*

**Testimony: HB 1433  
Student Loan Repayment Grants  
House Education Committee  
February 3, 2015**

Good morning Chairman Nathe and Members of the House Education Committee. I am Jerry E. Jurena, President of the North Dakota Hospital Association. I am here today in support of HB 1433 and ask that you give this bill a **Do Pass**.

The number one issue the hospitals have across the State of North Dakota is a lack of an adequate workforce. We simply do not have enough licensed professionals in the state to meet the needs of people.

Many of our hospitals are currently using traveling nurses and technicians. Several hospitals have now contracted with agencies to bring licensed professionals into the State from other countries. The need for staff is critical from the smallest to the largest hospitals.

HB 1433 is just one possible solution to the problem. In order to solve this crisis it will take a variety of ideas and a multitude of organizations working collectively. I believe HB 1433 has the potential to help.

I ask that you give this bill a **Do Pass**. Thank you.

Respectfully Submitted,

Jerry E. Jurena, President  
North Dakota Hospital Association