

Sixty-fifth
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2243

Introduced by

Senators Schaible, Rust, Oban

Representatives D. Johnson, Nathe, Owens

1 A BILL for an Act to create and enact a new section to chapter 15.1-03 of the North Dakota
2 Century Code, relating to a teacher loan forgiveness program; and to provide an appropriation.

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

4 **SECTION 1.** A new section to chapter 15.1-03 of the North Dakota Century Code is created
5 and enacted as follows:

6 **Teacher shortages - Loan forgiveness.**

- 7 1. The department of public instruction shall administer a student loan forgiveness
8 program for individuals teaching at grade levels, in content areas, in geographical
9 locations identified as having a teacher shortage or critical need. The department shall
10 adopt rules to implement the program.
- 11 2. The superintendent of public instruction shall identify grade levels, content areas, and
12 geographical locations in which a teacher shortage or critical need exists. The
13 department may approve loan forgiveness for no more than two teachers per year in a
14 school district.
- 15 3. To be eligible for loan forgiveness under this section, an individual:
- 16 a. Must have graduated from an accredited teacher preparation program and
17 signed a contract to teach at a grade level or in a content area and in a
18 geographical location identified by the superintendent of public instruction as
19 having an existing teacher shortage or critical need; and
- 20 b. Must have obtained a student loan.
- 21 4. An eligible individual may receive loan forgiveness under the program as follows:
- 22 a. If the individual accepts a position in a rural school district or remote town school
23 district with an enrollment of fewer than one thousand students:
- 24 (1) Up to four thousand five hundred dollars for the first year;

- 1 (2) Up to four thousand five hundred dollars for the second year; and
2 (3) Up to six thousand five hundred dollars for the third year.
3 b. If the individual accepts one of up to five positions of critical need as determined
4 annually by the superintendent of public instruction:
5 (1) Up to four thousand five hundred dollars for the first year;
6 (2) Up to four thousand five hundred dollars for the second year; and
7 (3) Up to six thousand five hundred dollars for the third year.
8 5. An eligible individual may receive a maximum of twenty-five thousand dollars of loan
9 forgiveness under the program.
10 6. The department shall consider all applications under this section based on the number
11 of unfilled school vacancies, with vacancies in core content areas taking priority.
12 7. Upon notification the individual has completed a full year of teaching in a school
13 district or nonpublic school in this state at a grade level or in a content area and in a
14 geographical location identified by the superintendent of public instruction as one in
15 which a teacher shortage or critical need exists, the department shall distribute funds
16 directly to the lending institution of the individual to repay outstanding loan principal
17 balances on behalf of eligible applicants. The department shall terminate loan
18 forgiveness payments to eligible individuals when the loan principal balance of the
19 eligible individual is paid in full.
20 8. For purposes of this section, the definitions of rural school district and remote town
21 school district have the same meaning as the definitions under the national center for
22 education statistics locale codes.

23 **SECTION 2. APPROPRIATION.** There is appropriated out of any moneys in the student
24 loan trust fund in the state treasury, not otherwise appropriated, the sum of \$6,000,000, or so
25 much of the sum as may be necessary, to the department of public instruction for the purpose of
26 administering a student loan forgiveness program, for the biennium beginning July 1, 2017, and
27 ending June 30, 2019.