

**North Dakota Education Funding Committee**  
**August 8, 2018**  
**by Gail Schauer**  
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**Department of Public Instruction**

Mr. Chairman and members of the committee:

My name is Gail Schauer, Director of the Office of School Approval & Opportunity at the North Dakota Department of Public Instruction (NDDPI). I am here to provide a report on the teacher loan forgiveness program under North Dakota Century Code (NDCC) §15-10-38 and North Dakota University System (NDUS) Procedures 508.1.2.

The revised Teacher Loan Forgiveness Program was passed by the 2017 legislature. The NDUS created the process and application system with assistance from the NDDPI. The NDUS Procedures 508.1.2 were approved in December 2017. The NDDPI identified the critical need and shortage areas for 2017-2018 school year.

<b>Critical Need Areas</b>
<b>1. Science</b>
<b>2. Business, &amp; Office Technology</b>
<b>3. Agricultural Education</b>
<b>4. Technology &amp; Engineering Education</b>
<b>5. Computer Science</b>

<b>Shortage Areas</b>
<b>1. Elementary Grades (PK-8)</b>
<b>2. Guidance Counselor PK-12</b>
<b>3. Special Education (PK-12)</b>
<b>4. English Language Arts</b>
<b>5. Social Studies</b>
<b>6. Family &amp; Consumer Sciences</b>
<b>7. Mathematics</b>
<b>8. Languages: French, German, Latin, Native American, American Sign Language, Spanish, Others</b>
<b>9. Fine &amp; Performing Arts</b>
<b>10. English Learners</b>
<b>11. Library/Media Specialist</b>
<b>12. Elementary Music Education</b>
<b>13. Career Clusters</b>

In January 2018, the NDUS and NDDPI posted information on their websites, provided guidance, hosted two webinar trainings, shared information at statewide conferences and meetings, and fielded many, questions on the new program. Applications for districts to apply were opened at the end of January 2018 with a due date of April 15. Districts were able to apply after April 15, but all applications submitted by or before April 15 were given priority.

The current teacher loan forgiveness program is very different from the past one. In the past, teachers applied for the teacher loan forgiveness and, if eligible (teacher had to be teaching in a critical need or shortage area), the teacher would receive \$1,500. The new program designates the responsibility to districts to apply for up to two teaching positions. Depending on if the district is rural or non-rural and if the teaching position is a critical need area or a shortage area, the loan forgiveness amount is anywhere between \$3,000 and \$6500 per year for up to four years.

Shortage Area and District Type	Annual Award Amount	Lifetime Maximum
If the individual accepts one of the five positions of critical need in a non-rural school district or non-remote town school district	Up to \$3,000 per year	Four years
If the individual accepts a position in a defined shortage area in a rural school district or remote town school district with enrollment less than one thousand students per year	Up to \$4,500 per year	Four years
If the individual accepts one of up to five positions of critical need in a rural district or remote town school district with enrollment less than one thousand students	Up to \$6,500 per year	Four years

This loan forgiveness program provided districts with the opportunity to reflect on the hardest to fill teaching positions within their schools and make the decision on which positions they would like to select for teacher loan forgiveness in order to recruit and/or retain teachers.

Of a total of 227 districts (both public and non-public):

- 57 districts did not apply
- 170 districts applied
  - 21 were “Urban” districts
    - 0 slots approved
    - 41 slots denied
  - 149 were “Rural” districts
    - 270 slots approved
    - 25 slots denied (all were approved except those in shortage areas 9-13 as listed on page 1).

Below are the teaching positions requested in the Teacher Shortage Loan Forgiveness

Program applications:

Area Name	Count of districtID
Agriculture Education	16
Business & Office Technology	25
Computer Science	2
Elementary Grades (PK-8)	103
Elementary Music Education	14
English Language Arts	16
Family & Consumer Sciences	7
Fine and Performing Arts	10
Guidance Counselor PK-12	14
Languages: French, German, Latin, Native	1
Library/Media Specialist	1
Mathematics	16
Social Studies	11
Special Education (PK-12)	16
Technology & Engineering Education	14
Science	70
	336

When NDUS and NDDPI were determining which positions to approve, the first consideration was if the position qualified. Was the position a critical need or shortage area in a rural district? Was the position a critical need in an urban area? The next consideration was the funding. In the 2017 legislative session, \$2,103,393 was appropriated to this program. The amount needed to fund all 336 teaching positions requested would have been \$1,624,500. However, this would have only funded these positions for one year. In the next biennium, even if the ND Legislation provided even funding, an additional \$2,103,393 for the 2019-2021 biennium – this would have been a shortfall of \$666,714.

With the funding amounts from 2017-2019 and with the assumption the 2019-2021 funding amount would be at the same level, it was determined what amount could be approved for each year over the next three years. The amounts of both bienniums were added up and divided by three years.

$$\$2,102,393 + \$2,102,393 = \$4,204,786$$

$$\$4,204,786 \div 3 = \$1,401,595$$

To fund the approved positions over a three-year period (if the same amount is appropriated in the 2019-2020 biennium), the amount of \$1,401,595 could be approved each year over the next three years. With this in mind, it was determined rural districts would be the priority. There still was not enough funding available, so only the critical need areas and the top eight shortage areas (on page 1) were funded.

After all calculations were made, there were 270 teaching positions approved in the rural districts in the amount of \$1,389,000. Sixty-six teaching positions were not approved. All the rural districts that applied were approved for one or two teaching positions.

In the next month, districts will be asked to submit information on the teachers that are filling the approved positions. The teachers participating in the program must complete the whole 20<sup>18</sup>~~19~~-20<sup>19</sup>~~20~~ school year contract. In June 20<sup>19</sup>~~20~~, the NDUS will disperse funding to the appropriate lending agencies.

With an even funding appropriation for this program in the 2019-2021 biennium, these same teachers, if they continue to qualify, will receive teacher loan forgiveness over the next three years. It is anticipated there will be no new positions approved, but this is dependent on funding.

If this program were to be fully funded, providing each district with two teaching positions with teacher loan forgiveness at the highest level, the estimated budget would be about \$2.6 million per year. To fully fund this program for the 2019-2021 biennium, the appropriation needed is approximately \$4,721,107 (\$2.6 million x 2 years = \$5.2 million minus the carryover amount of \$478,800 = \$4,721,107).

The NDDPI is in the process of identifying useful data and developing an evaluation tool to measure the effectiveness of the program. A variety of data will be collected, including how many positions are approved for each of the shortage areas, if the districts use the program for

recruiting or retaining, and how many teachers receiving loan forgiveness are retained over two years, three years, and four years.

The funding for this program runs through the NDUS. There has been discussion as to the best placement of the funding – whether the program should be under NDUS or NDDPI. Basically, NDUS is running the budget and collecting program information. NDDPI provides most of the data (i.e., critical needs, shortage areas, district contact information, teacher qualifications) and providing technical assistance and guidance. Whether the program runs through NDUS or NDDPI, both departments will continue to collaborate in implementing the program.

More information on the North Dakota Teacher Shortage Loan Forgiveness Program can be found on the NDDPI website at <https://www.nd.gov/dpi/SchoolStaff/SSI/LoanForgiveness/>.

Mr. Chairman and members of the committee, this concludes my report and I am available to answer any questions. Thank you.