

# MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1444

2001 HOUSE EDUCATION

HB 1444

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1444

House Education Committee

Conference Committee

Hearing Date 2-7-01

Tape Number	Side A	Side B	Meter #
1	XX		1900--3980
Committee Clerk Signature <i>Debra Gilbert</i>			

Minutes: Vice-Chair Brusegaard opened the hearing on HB1444 relating to student loan principal reduction; and to provide an appropriation.

Rep. Kelsch, Dist. 34, Mandan : sponsor for HB1444 and support it. This may sound a bit like HB1418. There are a few differences. First, on line 15, that the individual has signed a contract of employment with a school district in this state for the provision of high school classroom teaching services. On line 15, c, the employee school district has an average daily membership during the 2000-2001 school year of 550 or fewer. The reason for this bill is to provide a critical need. We've had great difficulty in this area of attracting teachers. I had thoughts we may not want to have the number restriction. That is up to this committee to make that decision. We need to do something this session to meet the needs of ND students.

Vice-Chair Brusegaard : Do you know what would happen to the appropriation is we got rid of the size perimeter?

Rep. Kelsch : I do not. You could put a cap on what you feel is O.K.

Rep. Meier : (2320) What are some of the areas in high school that have the shortage?

Rep. Kelseh : Math, science, and music.

Jack Dalrymple, Lt. Governor of ND : (2400) The governor is supporting this bill and has included \$250,000 in his budget in the grant line for the board of education. I believe the senate will pass out the \$250,000 without even seeing if this bill will pass. This bill goes to the heart at the problem. Teachers salaries are an issue state wide. It's good public policy to focus on the work part of the problem, also. We need to recruit high school teachers to rural schools. If we look at the 100 vacancies that occur in a year, 80-90% occur in a rural setting. That doesn't mean that urban schools don't have vacancies, also.

Rep. Mueller : (2940) Both of these bills talk about "upon approval". Can you talk about this process?

Jack : The Board of Higher Education will be the gate keeper. This bill is clean and clear and easy to administer. Some fine points may need to be addressed. The Bank of ND controls the money. If the students qualifies, the bank will take care of the crediting. Don't need a lot of administration. That's one of the good features.

Rep. Hanson : Have you ever thought having a tuition waiver something like the national guard has? Tuition is waived, and once you graduate you must teach in ND so long. If you drop out of school, you must pay it back.

Jack : (3210) Yes, that would be another way at getting at the problem. The loan forgiveness seems to be better from an administrative stand point. If you look at it after the fact of graduation, you don't have to make conditions, etc.

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Rep. Nelson : Would you be opposed of including some of the teachers that left a few years ago, but want to come back?

Jack : I can't think of a reason why we couldn't. The concept of this bill was to catch them right out of college before they go into something else. Maybe you could cut in if they have graduated within 2-3 years. Still be workable. You wouldn't want to go to far back.

Rep. Nelson : Why have you excluded private institutions?

Jack : Because it is administered by the State Board of Education. They have jurisdiction over public only. I'd have to ask someone else if you could include private.

Linda, Edwards, Professional Studies, NDEA : (3600) here in support of HB1444. We pre service 800 students looking at becoming teachers. They are concerned about loan forgiveness. They do want to stay in ND.

Janet Welk, Ex.Dir. Education Standards & Practices Board : (3770) here to support HB1444. My testimony is the same as in HB1418.

Richard Ott, ND Council Education Leaders : support HB1444.

Bev Nielson, ND School Boards Assoc. : here in support of HB1444. If you include Jamestown and Mary College, then you may want to include Tri-College, also.

Vice-Chair Brusegaard : Any more testimony for or against HB1444? Hearing none, I close this hearing.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1444a

House Education Committee

Conference Committee

Hearing Date 02-13-01

Tape Number	Side A	Side B	Meter #
TAPE I		X	1514 to 2476
Committee Clerk Signature <i>John Diers</i>			

Minutes: Chairman Kelsch: we will take up HB 1444.

Rep Thoreson: The committee took a look at HB 1444 and recommended a DO NOT PASS.

Chairman Kelsch: Rep Thoreson, would you like to explain.

Rep Thoreson: HB 1444 is a much better and cleaner bill and the fiscal note is much less. 1444 changes the date that the teacher would be eligible, so that we could include this years graduating class in that. We included private and well as public institutions. And we put in a statement that would say, in order to receive this, they would go into an area that the superintendent identified as a need area.

Chairman Kelsch: Would you like to move the amendment.

Rep Thoreson: I would move the amendments number 10243.0203.

Rep Hawken: Second.

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Chairman Kelsch: ON line two and to provide an appropriation needs' to be removed. And on the second page lines one thru five need to be removed. The funding for this bill is in the higher education bill.

Rep Haas: I would move that amendment.

DISCUSSION

Chairman Kelsch: Let's vote on the proposed amendment by Rep Thoreson. Voice vote, motion carries. Vote on Rep Haas amendments. Voice vote, motion carried. We now have the amended bill before us.

DISCUSSION

Chairman Kelsch: Any further discussion, we need a motion.

Rep Mueller: I move a DO PASS as amended.

Rep Solberg: Second.

Chairman Kelsch: We have a DO PASS as amended motion on HB 1444, any discussion, the clerk will call the roll. The motion passes with a vote of 14 YES, 1 NO and 0 ABSENT. Carrier Rep Thoreson.

# FISCAL NOTE

Requested by Legislative Council  
04/19/2001

Bill/Resolution No.:

Amendment to:           Engrossed  
                                  HB 1444

**1A. 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.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>			\$0		\$0	
<b>Expenditures</b>			\$250,000		\$580,000	
<b>Appropriations</b>			\$250,000		\$580,000	

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

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

**2. Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

Funding of \$250,000 in state general funds for HB1444, first engrossment with conference committee amendments, is included in the Education Incentive Programs line item in subdivision 1 of section 1 of SB2003, first engrossment with House amendments. Section 10 of SB2003, first engrossment with House amendments, also states:

**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.*

The level of expenditures will be contingent on the number of applicants for the program. This is difficult to predict. The expenditure amount of \$250,000 was used since this is the amount included in the Hoeven budget and House version of SB2003 for this program. The cost for the program will continue to increase in future biennia as applicants are eligible to receive a maximum of five one thousand dollar loans under this section.

**C. Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect*



*on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

The level of expenditures will be contingent on the number of applicants for the program. This is difficult to predict. The expenditure amount of \$250,000 was used since this is the amount included in the Hoeven budget and House version of SB2003 for this program. The cost for the program will continue to increase in future biennia as applicants are eligible to receive a maximum of five one thousand dollar loans under this section.

<b>Name:</b>	Laura Glatt	<b>Agency:</b>	North Dakota University System
<b>Phone Number:</b>	328-4116	<b>Date Prepared:</b>	04/19/2001

**FISCAL NOTE**  
 Requested by Legislative Council  
 03/22/2001

Bill/Resolution No.:

Amendment to:           Engrossed  
                                   HB 1444

**1A. 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.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>			\$0		\$0	
<b>Expenditures</b>			\$250,000		\$580,000	
<b>Appropriations</b>			\$250,000		\$580,000	

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

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

**2. Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

HB1444, first engrossment with Senate amendments, does not include an appropriation for this program. The Senate added \$250,000 to the student grant block grant in subdivision 1 of Section 1 of Engrossed SB2003 for this teacher training program. However, Engrossed SB2003 does not include language that would allow the \$250,000 to be used to support this teacher training program. Without specific appropriation language in either HB1444 or SB2003, the \$250,000 currently contained in the student grant block grant in SB 2003 would have to be used for existing student aid programs (i.e. State Grant, Scholar's, Indian Scholarship and Professional Student Exchange Program).

**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.*

The level of expenditures will be contingent on the number of applicants for the program. This is difficult to predict. The expenditure amount of \$250,000 was used since this is the amount included in the Hoeven budget and the amount added by the Senate to SB2003 for this program. The cost for the program will continue to increase in future biennia as applicants are eligible to receive a maximum of five one thousand

dollar loans under this section.

**C. Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

The level of expenditures will be contingent on the number of applicants for the program. This is difficult to predict. The expenditure amount of \$250,000 was used since this is the amount included in the Hoeven budget and the amount added by the Senate to SB2003 for this program. The cost for the program will continue to increase in future biennia as applicants are eligible to receive a maximum of five one thousand dollar loans under this section.

<b>Name:</b>	Laura Glatt	<b>Agency:</b>	North Dakota University System
<b>Phone Number:</b>	328-4116	<b>Date Prepared:</b>	03/26/2001

## FISCAL NOTE

Requested by Legislative Council  
02/16/2001

Bill/Resolution No.:

Amendment to:            HB 1444

**1A. 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.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>						
<b>Expenditures</b>				\$337,000		\$651,000
<b>Appropriations</b>				\$337,000		\$651,000

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

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

**2. Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

The proposed payment mechanism does not fit readily within the Bank's current student loan servicing operations because: 1) many of the borrowers eligible for these payments are not currently customers of the Bank; 2) Bank systems do not currently track some of the data elements necessary to support the requirements of the proposal; and, 3) existing Bank systems do not provide for generation of annual principal reductions.

The legislation contains no appropriation. Costs associated with this program are all shown in the other funds column.

How are borrowers made aware of the program? Is the Bank expected to provide some sort of notice to anyone? We did not allow anything in our calculations for this.

What kind of notice of benefits do we need to provide to the borrower? We have assumed a simple letter.

Do we need to provide IRS 1099C reporting for cancellation of debt? We have assumed so.

Legislation on the federal level could compound the benefits available in certain instances. Should there be a limitation to prevent "double dipping"? Should the borrower be required to exhaust the available federal benefits before they are eligible for benefits under this program?

Note that as the language is presented, it would be possible for someone who is teaching only part-time to

