

2017 SENATE EDUCATION

SB 2243

2017 SENATE STANDING COMMITTEE MINUTES

Education Committee
Sheyenne River Room, State Capitol

SB 2243
1/23/2017
Job Number 27200

- Subcommittee
 Conference Committee

Committee Clerk Signature

Sandy Baumgartner

Explanation or reason for introduction of bill/resolution:

Relating to teacher loan forgiveness program

Minutes:

#1, #2, #3, #4

Vice-Chairman Rust: Call committee back to order for SB 2243.

Senator Schaible: Introduce SB 2243. Testimony #1. Critical areas for teacher shortages are usually in the rural areas.

Kirsten Baesler: Superintendent of the North Dakota Department of Public Instruction: Testimony #2. Loan forgiveness will be an incentive to help ease critical teacher shortage in rural and remote town schools with small populations.

Elroy Burkle: Director of ND Small Organized Schools. SB 2243 will help with retention and recruitment.

Nick Archuleta: President of North Dakota United: Testimony #3. Teacher shortage is a big issue in North Dakota and will become greater in the future.

Aimee Copas: Executive Director for the ND Council of Educational Leaders. Testimony #4. University of Mary seeing a decline in individuals coming into their program is going to become more challenging in the near future.

Jon Martinson: North Dakota School Board Association: Fundamental that all students have a qualified teacher in the classroom.

Chairman Schaible: Any other testimony? Committee meeting closed.

2017 SENATE STANDING COMMITTEE MINUTES

Education Committee
Sheyenne River Room, State Capitol

SB 2243
1/25/2017
Job Number 27309

- Subcommittee
 Conference Committee

Committee Clerk Signature

Sandy Baumgartner

Explanation or reason for introduction of bill/resolution:

Relating to teacher loan forgiveness program

Minutes:

Chairman Schaible: Open for SB 2243. It was not my intention to exclude private schools.

Discussion:

Senator Vedaa: If the individual excepts the position in a rural district or remote town district with an enrollment of fewer than 1000 students, that has to qualify a high amount of our schools.

Chairman Schaible: Yes, maybe 25-30% out of the 179, 145 probably would. The big 12 wouldn't. I don't have the ownership of this bill, was asked to present.

Senator Vedaa: The percentage in my business, when you are talking, 1 and 2 and 3% is not drastic.

Chairman Schaible: We need to consider out of the total amount of teachers that are not eligible and say that number is 35. Take those schools that are not eligible because they have over a 1000 students, take the percentage of teachers that accommodates. I guess that those numbers would go way up. Simply because in rural schools, looking for a math teacher and they don't have one, who do you supplement it with? We have critical needs in some subjects, whether it is 1% of math teachers. In the rural areas, if you need a science teacher and don't have one, it might be 1%.

Senator Kannianen: I asked for information from Superintendent Baesler what would qualify in this area and what wouldn't.

Senator Rust: Remember it is no more than 2 teachers per year, per school district.

Chairman Schaible: Superintendent Baesler has the right to generate rules to do this in only 5 categories, that is the maximum. They could accept less. It is not part of the general appropriations. This is student loans and a focused idea.

Senator Rust: This is for anybody teaching in a public or non-public school district.

Senator Oban: Sub-section 4, somebody could qualify for \$31,000.00, if I am reading that right.

Chairman Schaible: We could put a cap of \$15,500.00.

Senator Vedaa: The critical needs part could include the entire state.

Chairman Schaible: It doesn't say that the superintendent has to prioritize.

Senator Rust: I could ask for an amendment for SB 2243 that limits the amount that anyone teacher gets to \$15,500.

Chairman Schaible: Are there any other changes we would like?

Senator Oban: They will consider all applications in section 5.

Chairman Schaible: Do we want to limit it at \$15,500.00 and say they can only get so much out of this program. It is not new funding.

Senator Oban: I think that \$15,500 is very generous cap to have on it. The cap could be established by putting in the word "or" on page 2, instead of writing on an actual cap. This would prevent someone from double-dipping in both remote and critical need area.

Senator Rust: Council could let us know.

Senator Veda: If we let the districts have a part of this, more people would be involved.

Chairman Schaible: I think maybe the districts would jump at the idea to help get a teacher into their district.

Senator Rust: This is not an automatic, there is an application process.

Chairman Schaible: Any other recommendations? Senator Rust will check out the "or" or "cap".
Committee meeting closed.

2017 SENATE STANDING COMMITTEE MINUTES

Education Committee
Sheyenne River Room, State Capitol

SB 2243
1/25/2017
Job Number 27360

- Subcommittee
 Conference Committee

Committee Clerk Signature

Stanley Laungaitner

Explanation or reason for introduction of bill/resolution:

Relating to teacher loan forgiveness program

Minutes:

#1

Chairman Schaible: Open meeting to SB 2243. We have some question teacher loan forgiveness.

Senator Rust: Yesterday in discussion there was a question on whether they can "double-dip". On year 1 they could get \$4500 if they were in a school under a 1000 students. In year 2, they could get \$4500 if they are under a 1000 students. In year three, they could get \$6500. In another provision, if you were in a critical area you could get the same. I asked about that issue. Ms. Baesler is here to provide clarification and rational.

Kristen Baesler: Superintendent of Department of Public Instruction: It was the intent of the task force committee to allow a teacher to "double-dip" as you say. This would cease once that person's student loan is fulfilled. The average loan for a student who has graduated from a ND university is \$28,000.00. The total of loan forgiveness could be \$31,000.00. The reason we intentionally allowed a student to "double-dip" is because you are in the 5 critical area needs. A rural area would still have trouble hiring a critical needs teacher. We felt a student with a loan and if they are in high demand, they will go to a rural area to have \$28,000.00 of their student loan paid. In that way we will close that gap in areas that are identified, which is our rural areas. We truly did attend to meet the need.

Chairman Schaible: Other questions?

Senator Rust: That bill is a two- prong bill. It is for critical areas and one for under a 1000 students. Every school, if a person is teaching in a critical needs area would be eligible for up to \$15,500.00. If they are in a smaller school and teach in a critical needs area could get another \$15,500.00. I think I understand.

Chairman Schaible: Any amendments?

Senator Rusk: I passed out an amendment #1 to put a cap on it for \$15,500.00. So that is what the amendment is and now you get a little time to think about a cap or not have a cap.

Chairman Schaible: Let's leave this and think about it for a little while. Any other amendments for this bill?

Senator Rust: No

Chairman Schaible: Let's come back to this at a later time. Adjourned.

2017 SENATE STANDING COMMITTEE MINUTES

Education Committee
Sheyenne River Room, State Capitol

SB 2243
1/25/2017
Job Number 27392

- Subcommittee
 Conference Committee

Committee Clerk Signature

Sandy Baumgartner

Explanation or reason for introduction of bill/resolution:

Relating to teacher loan forgiveness program

Minutes:

Chairman Schaible: Let's open for SB 2243.

Senator Rust: About the amendment, I would like to hear what is the thought about what Superintendent Baesler had to say about the reason behind the bill.

Senator Oban: After hearing from Superintendent Baesler and school boards who also contacted us about the amendment that was discussed, but not moved earlier, I can certainly understand they want to be able to provide the double incentive to people who serve in critical areas and remote districts. That said, I still think there is something about maybe not getting that full \$31,000.00. She said the average student loan is \$28,000.00. What about a cap of \$25,000.00 and that is significant? That would certainly allow local districts who wanted to chip in. That requirement is not in there. I think there is something to capping it and 25 was just a random amount.

Chairman Schaible: \$25,000 is roughly 60% of these amounts. Just lower each one by 60% would do it too. Capping it would still give the option. Any other ideas?

Senator Oban: Could we put a claw back program? In some of the dental payback programs they get the money and leave anyway. If I were to go to Wishek ND and teach in a critical needs area and a remote school district under 1000, and stay there for 2 years, I am still getting a lot to pay off my loans. I don't think the intent of this is to get them to stay for 1 or 2 years. It is the intent to get them to stay all 3 years. I would like us to discuss having some sort of claw-back provision. That if you leave prior to the 3 years, that something has to be changed.

Senator Rust: Page 2 number 6 line 10, says you have to complete the year. I understand you could go for 1 year and get \$9000.00 in two areas and then leave. I am not so sure how well it would work to try to claw-back some of that money. Trying to get back money you have already paid out would be a little difficult. I am in favor of leaving it as it is. Teacher contracts are for a year at a time. And I guess if they leave they choose to leave. It also sounds like we are getting into something like a multi-year contract and we don't do anything with that. I agree that I would like that person to stay longer. I am not so sure the mechanics to coheres that person to do that is there.

Senator Vedaa: I like the whole intent to get them to stay for 3 years. \$9000.00 is quite a bump to stay for one year. I like Senator Oban's idea on that one.

Chairman Schaible: I don't know how we can get money back. Maybe having it a little bit the 1st year and little more the 2nd year and more on the 3rd year.

Senator Oban: We do have a claw back provision for public employees' bonuses, if they leave before.

Chairman Schaible: I think it is the intention to stay for 3 years. Are we interested in doing an amendment?

Senator Vedaa: Would it be possible to give it out at the end of the 3rd year, the whole amount?

Senator Oban: I will take on trying to get an amendment drafted.

Senator Rust: Input, I favor the plan giving a little bit the first, more the second and more the third.

Senator Vedaa: If you lower it you offer less money, and the incentive might not be there.

Chairman Schaible: Senator Oban will be creative. We have to have this out by Monday.

Senator Rust: Are we still looking at a maximum?

Chairman Schaible: Yes, anything else on this bill?

Senator Kannianen: What are some of the school districts doing at this time for incentives for teachers to come there?

Senator Oban: We could request that from the Recruitment and Retention Task Force because that was something that was probably talked about, if they have it.

Chairman Schaible: Closed on SB 2243.

2017 SENATE STANDING COMMITTEE MINUTES

Education Committee
Sheyenne River Room, State Capitol

SB 2243
1/30/2017
Job Number 27556

- Subcommittee
 Conference Committee

Committee Clerk Signature

Sandy Baumgardner

Explanation or reason for introduction of bill/resolution:

Relating to a teacher loan forgiveness program

Minutes:

#1

Chairman Schaible: SB 2243 Meeting opened.

Senator Oban: I handed out amendment. #1. When we left the discussion last Wednesday, we had discussed in the committee capping it at \$25,000 for any one individual, since they can qualify for both. Considering this is a new program, I feel that is very generous, especially since we just learned that there is another teacher forgiveness program. We also discussed a claw-back provision. I cannot find language that I am happy with to put into code. I discussed with who administers the public employee recruitment and retention bonus program at the state wide level. In order to give any of those bonuses an agency has to have a claw-back provision with the administrated rules. All of those are worded a little differently. I just didn't feel like I was at a point where I felt comfortable putting words down on paper. I did share with Superintendent Baesler, we could have the administration of this program have that provision. So, I don't have a claw-back provision on this amendment.

Chairman Schaible: Lets go with the discussion on the proposed amendment. I like the idea of the cap, especially if both avenues can be used for forgiveness. I will support the amendment.

Senator Oban: I move amendment 3002 as distributed.

Senator Vedaa: I second it.

Chairman Schaible: We have a motion and second to amend SB 2243 with the 3002 amendment.

Clerk take Roll #1. 5 Yeas, 0 nays, 1 absent

Senator Vedaa: I move to pass SB 2243 as amended.

Senator Oban: Second

Chairman Schaible: We have motion and second to pass SB 2243 as amended. Discussion?

Clerk take Roll #2. 4 Yeas, 1 nay, 1 absent

Senator Oban will carry.

Rerefer to Appropriations

January 30, 2017

CM
1/30/17

PROPOSED AMENDMENTS TO SENATE BILL NO. 2243

Page 2, line 8, after "5." insert: "An eligible individual may receive a maximum of twenty-five thousand dollars of loan forgiveness under the program."

6."

Page 2, line 10, replace "6." with "7."

Page 2, line 18, replace "7." with "8."

Renumber accordingly

SB 2243
 Date: 1-30-2017
 Roll Call Vote #: 1

2017 SENATE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 2243

Senate Education Committee

Subcommittee

Amendment LC# or Description: 170642 .03002

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 Oban Seconded By Vedaa

Senators	Yes	No	Senators	Yes	No
Chairman Schaible	✓		Senator Oban	✓	
Vice-Chairman Rust	✓				
Senator Davison	AD				
Senator Kannianen	✓				
Senator Vedaa	✓				

Total (Yes) 5 No 0

Absent 1

Floor Assignment N/A

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

SB 2243
 Date: 1-30-17
 Roll Call Vote #: 2

2017 SENATE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 2243

Senate 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 Vedaa Seconded By Oban

Senators	Yes	No	Senators	Yes	No
Chairman Schaible	✓		Senator Oban	✓	
Vice-Chairman Rust	✓				
Senator Davison	✓				
Senator Kannianen	✓	✓			
Senator Vedaa	✓				

Total (Yes) 4 No 1

Absent 1

Floor Assignment Senator Oban

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

REPORT OF STANDING COMMITTEE

SB 2243: Education Committee (Sen. Schaible, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS and BE REREFERRED to the Appropriations Committee (4 YEAS, 1 NAYS, 1 ABSENT AND NOT VOTING). SB 2243 was placed on the Sixth order on the calendar.

Page 2, line 8, after "5." insert: "An eligible individual may receive a maximum of twenty-five thousand dollars of loan forgiveness under the program."

6."

Page 2, line 10, replace "6." with "7."

Page 2, line 18, replace "7." with "8."

Renumber accordingly

2017 SENATE APPROPRIATIONS

SB 2243

2017 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

SB 2243
2/8/2017
Job # 28046

- Subcommittee
 Conference Committee

Committee Clerk Signature

Eva Lubelt for Rose Ganning

Explanation or reason for introduction of bill/resolution:

Relating to a teacher loan forgiveness program; and to provide an appropriation.

Minutes:

Testimony Attached # 1 – 2.

Legislative Council: Sheila Sandness
OMB: Becky Deichert

Chairman Holmberg: Called the committee to order on SB 2243.

Senator Don Schaible, State Senator, District 31: Bill Sponsor. Testified in favor of SB 2243. Testimony Attached # 1.

Chairman Holmberg: Some years ago when we had legislation that dealt with teachers going back after they had retired and continued their retirement could teach in critically short areas and at that time I think it was the TPPC, that made the decision to what was critically short and they said everything was critically short. Do you have confidence that the department would be hardnose when it came to what is critical shortage and what isn't?

Senator Schaible: I would have to assume that they would be. There is are critical needs in everything. My definition of critical need would be things that you need to graduate and things that you need to get into college. If you can't find a swimming coach compared to a math teacher. It would be obvious that the critical area would be math. If they have a list of what they assume is critical by prioritizing this into the top five levels will help that.

Senator Sorvaag: It says that no more than two teachers per year per school district. Does that mean two new or accumulative or only two in a school district can have this?

Senator Schaible: It would limit it to two teachers per year of the same district.

Chairman Holmberg: Could they have four teachers then, 2 in one year and then 2 in the next year?

Senator Sorvaag: That is what I was alluding to because it is three years. So did two get it and that means no one else for three years gets the chance?

Senator Schaible: I would assume that the department of public instruction would grant these and that would be taken into account. It doesn't say that so maybe we need to fix it.

Senator Robinson: You mentioned the appropriation of \$6M for the upcoming biennium period, how do you arrive at that? We have shortages all over the state in a number of academic areas that are core to the curriculum so how many teachers would we be looking at?

Senator Schaible: I don't have numbers for that. We thought \$6M would cover the current needs of the biennium. It's 25,000 total but in this year it would be 45 and 45 so it is 9,000 per student in the biennium.

Senator Kilzer: Would this be taxable income to the recipient?

Senator Schaible: I'm assuming not it would be a loan forgiveness for their loan. I don't have the answer for that I would have to ask the tax department.

Senator Kilzer: If a school district is having difficulty filling a position, can they use that as one of their offers to attract a teacher?

Senator Schaible: I don't know if there is any option to pay their student loan off of their books there is a little bit of flexibility to go off schedule as far as salary. I am not sure about the loan forgiveness. I don't know if that would be violation of the contract. I would have to look into it.

Senator Mathern: Help me understand the limitation of two per district. I am thinking that one district might have 500 students and another might have 250 students they both have a need for teachers in shortage areas, it seems like one district would be shorted.

Senator Schaible: I guess the question is to spread it out over multiple districts. There are two qualifications for this in the critical shortage areas and also rural. If its rural, you'd get bucket one, if it's a larger district but then it has to be in that critical area. The DPI would have rules and they would have to determine a priority list. Hopefully it would be based on where the critical need of where those teachers are needed. It was just to limit so we didn't get all of the teachers one district so the idea was we would pass that around the whole needs of the state but still have the flexibility to do critical areas and rural.

Chairman Holmberg: Would you anticipate that DPI might look at what school districts are paying. Some districts pay more than others.

Senator Schaible: I'd assume they'd look at all the information. Generally, I would say that rural is less lucrative than urban. That is the idea of giving this forgiveness to entice people to go there at least start there.

Chairman Holmberg: Would it be a disadvantage for that school district not to raise salaries if they knew they could get teachers through this mechanism?

Senator Schaible: I would say no, you would still have to live with the personal that you have and that certainly wouldn't be enticing to them. I think school districts try to pay teachers as much as they can within their means because that's their asset they have for education. I think we have made great progress in our salaries.

Senator Dever: If this money is available for the next two years in the biennium how is it you are paying it out over three years?

Senator Schaible: We would have to ask for the additional appropriations two years from now.

Senator Dever: That would be part of contract renewal?

Senator Schaible: It probably should be, yes.

Senator Wanzek: What are your thoughts, given human nature and how we react sometimes. Is there going to be an issue with other staff knowing someone is getting this benefit and they are not?

Senator Schaible: I think teachers in rural districts would like to have a full staff being able to entice people to come there. When you go off salary schedule, it is a concern. We thought this was an idea that would not affect the current salary schedule.

Senator Erbele: Is this only for new students or anybody who would still have a student loan. So a teacher that has been out there for four or five years, living in an urban town but maybe attracted to a rural community and this would be an enticement.

Senator Schaible: This is new students, new teachers.

Chairman Holmberg: I have to ask you the funding question because one of the things we have to do is try to balance everything in this particular bill. We are taking money out of the student loan trust fund which has a certain amount of money in it and a lot of draws on it. The foundation aid stabilization fund is a fund because these are people who will be working in elementary and secondary, do you have a great deal of heartburn if we look at other sources besides the general fund?

Senator Schaible: I used that fund because the student loan trust fund, this is a student loan that would go to that and it seemed to accomplish the need, but have no problems of using other sources.

Kirsten Baesler, Department of Public Instruction, State of North Dakota
Testified in favor of SB 2243. Testimony Attached # 2. (16:14-24:43)

Chairman Holmberg: How many of the school districts would this cover then?

Kirsten Baesler: The majority of our school districts would be covered by this amount. It would be called our top 16 that would not be covered.

Chairman Holmberg: Can you see the graduates from Mayville or Dickinson, are they more inclined to go to a smaller community or is there no statistics that would indicate that?

Kirsten Baesler: There is no specific statistics but I would say a Valley City or Mayville or even a Dickinson as one of our education degree graduates that would statistics on the overall study just simply says that our university systems are not delivering to our small rural schools.

Senator Erbele: This isn't just confined to North Dakota if someone comes here from a college outside of North Dakota can they come here and access this?

Kirsten Baesler: That is correct. Any graduate that would be willing to teach in our small rural isolated areas or a critical area would be eligible for this.

Senator Dever: You indicated in your testimony that there were 204 teacher openings unfilled in the last school year. If I divide 6M by 9,000 dollars that is to be given in two years, I come up with 666.

Kristen Baesler: What we were trying to eliminate is having those students be by a substitute teacher that is a long term sub that doesn't actually have a teaching degree. They just have 48 hours of a college course work and trying to prevent retired teachers from being rehired on a less than permanent basis.

Senator Hogue: I have a policy question. The state got into the business of providing housing assistance to state employees who were moving to an area where housing outstripped their salaries. Would we be better off trying to offer these teachers housing assistance because we know when people buy houses they get rooted in the community? Whereas giving them loan assistance doesn't keep them ties to the community the way a house does. What would be your thought of extending that type of incentive as opposed to just a straight cash payment?

Kirsten Baesler: That is an interesting and intriguing idea. I think it would be worth an investigation and study. The only concern that I would have I know that many of our school districts especially in the western North Dakota area did get into the business of being landlords. Schoolboards suddenly became landlords because they would buy or build apartment buildings so they could house their teachers. The challenge we may have with trying to encourage them to buy a house most of the graduates are 22-23 years old and I am not sure that either they or I as a parent would encourage my 23-year-old to get involved in a house loan.

Senator Mathern: We have a number of loan programs for professions. In the evolvement of those programs and in the implementation and the maintenance of those programs many times we have gravitated to the BND to take over because they are capable to manage these kind of things. There's always exceptions that come up in finding people when they move. Was that considered at all, that we would turn it over to them to maintain?

Kirsten Baesler: The first draft of the bill did include the bank of North Dakota that there would be payments to them and then we got to the heart of the matter that they could be a student from another state and they wouldn't have loans from North Dakota.

Senator Robinson: There is no housing available in smaller communities and then spousal employment issues. We find with our teacher graduates, the minute they have the opportunity to move up, they do.

Kirsten Baesler: Spousal employment is concern. Once a teacher teaches for 3 years, they become interested in staying in the community. They are actively looking to move on to their next step.

John Martinson, ND School Boards Association: Testified in favor of SB 2243. No written testimony. This is a nationwide issue this teacher shortage concern. We graduate enough people in the education teaching profession that just don't move to the rural areas. Those that graduated last year, wouldn't qualify, I just want to sound realistic when I say that life isn't fair. We are trying to be proactive and do something about this shortage now. We've suggested a lot of things, but we need to try something. Maybe revise licensing requirements and provide short term license. It costs a lot of money to try and change cultural attitudes to get people interested in the teaching profession. (34:26-39:22)

Chairman Holmberg: That could probably also move over to the area of loan forgiveness. For a school district to say, we will give you 5,000 dollars a year if you stay here, some of same problems could occur.

John Martinson: It could.

Senator Bowman: When you start a program like this and entice new teachers to come out to these shortage areas, what's to stop them from leaving after 3 years? You really don't stop the teacher shortage but you help pay off someone's debt. It's a nice incentive, but after three years, they leave.

John Martinson: You are exactly right, there isn't anything keeping them from moving after three years. We are trying to find a solution for right now.

Senator Hogue: We assume that loan forgiveness is taxable. What would be the advantage of loan forgiveness or just a bonus?

John Martinson: I don't think this is taxable. This doesn't go to the student it goes to the bank. There isn't a provision in the state law to provide this other than signing bonus provision which the association bought that.

Chairman Holmberg: We'll have legal staff check on that.

Senator Wanzek: In the 80s when farmers were struggling and I worked on the state ag mediation program and I do believe debt forgiveness was taxable, because there were many farmers if they could get bank to work with them and forgive some debt it usually resulted with them having an issue with the IRS.

Chairman Holmberg: Closed the hearing on SB 2243.

2017 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

SB 2243
2/15/2017
JOB # 28405 (0.04.01 – 0.13.40)

- Subcommittee
 Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

A DO PASS AS AMENDED on the Teacher Loan forgiveness program

Minutes:

Chairman Holmberg: called the Committee to order on SB 2243. All committee members were present except Senator Dever. Brady Larson, Legislative Council, Stephanie Gullickson, OMB and Becky J. Keller, OMB were also present.

There was discussion on other bills, whether they were ready for the committee to vote upon, it was determined they were not ready. The actual conversation regarding SB 2243 begins at (0.04.01) on this job. We met with Senator Schaible to see the passion as far as the value of these programs to the education committee and what they recommended placeholders in each of the bills. The first one would be 2243. (the other bill 2244 has a different job # 28410)

V. Chairman Krebsbach: What was discussed there is to try and keep the program alive and it comes about because there was a change in the requirements of (that's the other one). Anyway to help elevate some of the teacher shortages that we are going to be facing in critical areas and also the fact we have many, many teachers that are going to be retiring and they are concerned that we are going to be running short in this area so they are looking at any way they can help out and the loan forgiveness program was an idea that came forth. The bill called for \$6m and we have discussed with them and took it down to \$2m to keep the bill alive and to see where we can go with the funding from the next report that we get. So we would recommend that we reduce that amount from \$6m to \$2m.

Chairman Holmberg: The question was asked if we passed this bill and all there was would be \$2m, Senator Schaible said as these programs are it would kind of be first come first serve, and if they ran out of money they would but they did recognize that this was a new direction and was quite a bit of money. We had testimony from Superintendent Beasler and some others. With the agreement of the committee because the only change is the one word thing if you would allow her to make a motion to change it to \$2m and then if we get a second then we'll have a discussion.

V. Chairman Krebsbach: so moved. 2nd by Senator Hogue:

Chairman Holmberg: And again, for new people on our committee, anytime we have these kind of things you have a right to demand that you have it written before you do it.

Senator Gary Lee: The Student Loan Trust Fund, where does that money come from and where is it? In the Bank of North Dakota?

Chairman Holmberg: The Student Loan Trust Fund is monies that were accumulated to help underwrite the Student Loan Program when it was run by the BND. There is no new money going in there; it is money that has built up, and being expended in a few different areas this biennium. The biggest hit on it during the biennium was \$23m to go to the challenge grant program. That came from the interim committee. Then the executive budget changed that to the SIFF fund, and the bill we passed the other day takes that. So that \$23m is out of there. The 15m to fund the residency programs came from that fund. The fund had \$20m some and there's a number of bills floating around, do we have a number?

Senator Gary Lee: It was asking for more than the receiving funds.

Chairman Holmberg: Yes. And particularly at the beginning because part of the asker crowd was the \$23m that was in the interim bill. Brady has a work sheet.

Brady Larson, Legislative Council: The Industrial Commission did provide some updated revenue numbers for the Student Loan Trust Fund and they did revise the available funding down to \$18m and so currently there would be the \$15.2m for the residency positions. The funding being discussed in this bill, there is also about \$1.5m in the NDUS budget for a few miscellaneous items, grants to tribal colleges, ConnectND positions, and then there is also funding included SB 2004 for the dental loan repayment program.

Chairman Holmberg: It's probably slightly in the red but not as bad as some weeks ago.

Brady Larson: That is correct. Two weeks ago it was \$14m in the red and right now it is just about balanced out.

V. Chairman Krebsbach: I do have another question the amounts of the grants listed on pages 1 and 2, and I wonder being we are reducing the amount appropriated should those allotments be reduced in accordance. Or is it just first come, first serve.

Chairman Holmberg: Senator Schaible liked the first come, first serve. It is a long and dusty road before it's all done.

Senator Sorvaag: I would hope we are going to start deluding what each get, it will become worthless and you'll lose the whole purpose, which is to attract and become so I would hope we would those numbers for first come first serve so whoever gets it, at least it is worthwhile.

Chairman Holmberg: call the roll on an amendment to SB 2243 which reduces it from \$6m down to \$2m.

A Roll Call vote was taken on the proposed amendment. Yea: 13; Nay: 0; Absent: 1.

V. Chairman Krebsbach: Moved a Do Pass as Amended. 2nd by Senator Hogue.

Chairman Holmberg: Discussion? Call the roll on a Do Pass as Amended on SB 2243.

A Roll Call vote was taken. Yea: 13; Nay:0. Absent: 1.

This goes back to Education Committee. **Senator Oban will carry the bill.**

The hearing was closed on SB 2243.

CM
2/16/17

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2243

Page 2, line 24, replace "\$6,000,000" with "\$2,000,000"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment reduces the appropriation from the student loan trust fund for the student loan forgiveness program from \$6 million to \$2 million.

Date: 2-15-17
 Roll Call Vote #: 1

**2017 SENATE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 2243**

Senate Appropriations Committee

Subcommittee

Amendment LC# or Description: reduces from \$6M to \$2M

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar

Other Actions: Reconsider draw up amendment

Motion Made By Krebsbach Seconded By Hogue

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Mathern	✓	
Vice Chair Krebsbach	✓		Senator Grabinger	✓	
Vice Chair Bowman	✓		Senator Robinson	✓	
Senator Erbele	✓				
Senator Wanzek	✓				
Senator Kilzer	✓				
Senator Lee	✓				
Senator Dever	A				
Senator Sorvaag	✓				
Senator Oehlke	✓				
Senator Hogue	✓				

Total (Yes) 13 No 0

Absent 1

Floor Assignment _____

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

Date: 2-15-17
 Roll Call Vote #: 2

**2017 SENATE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 2243**

Senate Appropriations 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 Krebsbach Seconded By Hogue

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Mathern	✓	
Vice Chair Krebsbach	✓		Senator Grabinger		✓
Vice Chair Bowman	✓		Senator Robinson	✓	
Senator Erbele	✓				
Senator Wanzek	✓				
Senator Kilzer		✓			
Senator Lee		✓			
Senator Dever	A				
Senator Sorvaag	✓				
Senator Oehlke	✓				
Senator Hogue	✓				

Total (Yes) 10 No 3

Absent 1

Floor Assignment Education Sen O'Bar

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

REPORT OF STANDING COMMITTEE

SB 2243, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (10 YEAS, 3 NAYS, 1 ABSENT AND NOT VOTING). Engrossed SB 2243 was placed on the Sixth order on the calendar.

Page 2, line 24, replace "\$6,000,000" with "\$2,000,000"

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment reduces the appropriation from the student loan trust fund for the student loan forgiveness program from \$6 million to \$2 million.

2017 HOUSE APPROPRIATIONS

SB 2243

2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee
Roughrider Room, State Capitol

SB 2243
3/13/2017
29114

- Subcommittee
 Conference Committee

Request

Explanation or reason for introduction of bill/resolution:

Relating to a teacher loan forgiveness program;

Minutes:

Attachments 1-4

Open-8:50 Senator Schaible: (see attachment 1)

2:05 Chairman Delzer: In Subsection 4, you're talking that the superintendent could determine that?

Senator Schaible: That is correct.

3:10 Chairman Delzer: What if they quit half way through the year?

Senator Schaible: They would not get the payment for that year, the payments are at the end of the year. They have to complete the year to get paid but there's no other commitments after that.

Chairman Delzer: Why did you take this out of the Student Loan Trust Fund?

Senator Schaible: We didn't think that this should come out of general funds and this the fund that is available. It was kind of set up for student loans and from the Bank of ND and they no longer receive any money so it is no longer growing, but it seemed like a more appropriate place to aid teachers and student loan forgiveness.

Chairman Delzer: You would hope to have this go more than one biennium?

Senator Schaible: Yes, so we would have to find another funding source if we find that it has good results.

4:25 Representative Martinson: Measure # 2 money, which said we can use it for other educational purposes?

Senator Schaible: Yes, the measure #2 money could be available, when I brought forth measure #2 the only reason I didn't go there was because at that time the idea for measure #2 was that we didn't expand or increase any new programs. I thought it was appropriate for the times we were having that that money would stay in existing, or showing that we had.

Chairman Delzer: Are you aware of the money that is available in that fund?

Senator Schaible: I believe it's a million dollars' upside down, I guess maybe a million and a half.

5:40 Representative Nathe: Are there any other programs that do this sort of thing?

Senator Schaible: We have three other program at least; optometrist, dentist and veterinarian. We also have loan forgiveness or waivers for a variety of other things.

6:30 Representative J. Nelson: I like the geographical area but the critical need, is that in any school?

Senator Schaible: I am not sure if every school would qualify for that, but if an area is listed yes any school would qualify.

Representative J. Nelson: To answer the previous question, there's a number of these n

Representative Nathe: How many of these can a district accept.

Senator Schaible: I believe it's 2 per district.

9:10-16:25 Kirsten Baesler: (see attachment 2)

17:25- 25:05 Nick Archuleta, President of ND United: (see attachment 3)

20:10 Representative Martinson: Did anyone ever talk to the students that you would be offering this to?

Mr. Archuleta: I don't know who they talked to about this but there are a lot of studies showing this would open their eyes to some other areas.

Chairman Delzer: There are a certain number that would be going out there anyway, how do you address that?

Mr. Archuleta: That may be true but it may help to get them out there and hopefully if they stay for three years they grow to like it and decide to stay.

Representative Holman: Did you look at and compare pay scales?

Mr. Archuleta: We did and we know that there are times that some of these new teachers aren't signing their contracts until they know they aren't getting hired in other locations.

Representative Nathe: I have talked to some students and after running this by them, they are more interested than what you would think? The two that I talked to are putting themselves through school and they are interested in being out of debt in three years.

Mr. Archuleta: I think some will go and then decided that they like it and want to stay.

Representative Nathe: This always came up and I think it's a need. Do you think three years is enough?

Mr. Archuleta: We are hoping that it is long enough and an average student is coming out of school with 28 thousand dollars in debt, so this can be a great option.

25:25-26:30 Anita Thomas, General Counsel ND School Boards Association:
(see attachment 4)

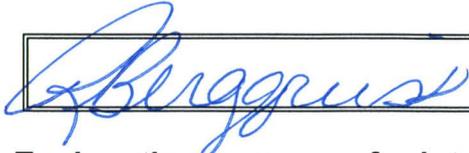
Chairman Delzer: Further discussion? Seeing none we will close the hearing on SB 2243

2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee
Roughrider Room, State Capitol

SB 2243
March 28th 2017
29771

- Subcommittee
 Conference Committee



Explanation or reason for introduction of bill/resolution:

Relating to a teacher loan forgiveness program

Minutes:

Chairman Delzer: The amendment for this bill is making a study, we know there is a teacher shortage but we should find out exactly where the shortage is. Find out if it's a shortage by location or more of a position shortage? At the time that this bill came before us we have over spent the student loan trust fund by about 1.5 million. We've made some changes but have funding some other things, isn't there 200 thousand somewhere else to?

Brady Larson, Legislative Counsel: Yes, there is another bill 200 thousand for dual credit course.

Chairman Delzer: Student loan fund does not replenish, if we start this then in two years we will have people in the program that we would have to continue. I think we are better off looking into a study and find out where the shortages are.

Representative Monson: Motion to amend 17.0642.05001

Chairman Delzer: This is a hog house amendment, which replaces the entire bill with a study.

Representative Boe: Second

Chairman Delzer: Further discussion?

Voice vote, All in Favor, Motion Carries unless you want a roll call vote.

Representative Monson: Do Pass as Amended

House Appropriations Committee
SB 2243
March 28th 2017
Page 2

Representative Meier: Second

A Roll Call vote was taken. Yea: 15 Nay: 5 Absent: 1

Representative Sanford will carry the bill

3/29/17 JR

17.0642.05001
Title.06000

Prepared by the Legislative Council staff for
Representative Delzer
March 29, 2017

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2243

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for a legislative management study of teacher loan forgiveness programs.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. LEGISLATIVE MANAGEMENT STUDY - TEACHER LOAN FORGIVENESS PROGRAMS. During the 2017-18 interim, the legislative management shall consider studying the use of teacher loan forgiveness programs. The study, if conducted, must include a review of all existing teacher loan forgiveness programs administered by state agencies, the effectiveness of the programs, and options to develop a single program to address severe teacher shortage needs. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-sixth legislative assembly."

Renumber accordingly

Date: 3/28/2017
 Roll Call Vote #: 1

**2017 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. SB 2243**

House Appropriations Committee

Subcommittee

Amendment LC# or Description: 17.0642.05001

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 Representative Monson Seconded By Representative Boe

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer					
Representative Kempenich			Representative Streyle		
Representative: Boehning			Representative Vigesaa		
Representative: Brabandt					
Representative Brandenburg					
Representative Kading			Representative Boe		
Representative Kreidt			Representative Delmore		
Representative Martinson			Representative Holman		
Representative Meier					
Representative Monson					
Representative Nathe					
Representative J. Nelson					
Representative Pollert					
Representative Sanford					
Representative Schatz					
Representative Schmidt					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Motion Carries

Date: 3/28/2017
 Roll Call Vote #: 2

**2017 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. SB 2243**

House Appropriations 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 Representative Monson Seconded By Representative Meier

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer	X				
Representative Kempenich	X		Representative Streytle		X
Representative: Boehning	X		Representative Vigesaa	X	
Representative: Brabandt		X			
Representative Brandenburg	X				
Representative Kading	X		Representative Boe	X	
Representative Kreidt	A		Representative Delmore		X
Representative Martinson	X		Representative Holman	X	
Representative Meier	X				
Representative Monson	X				
Representative Nathe		X			
Representative J. Nelson	X				
Representative Pollert	X				
Representative Sanford	X				
Representative Schatz	X				
Representative Schmidt		X			

Total (Yes) 15 No 5

Absent 1

Floor Assignment Representative Sanford

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

Motion Carries

REPORT OF STANDING COMMITTEE

SB 2243, as reengrossed: Appropriations Committee (Rep. Delzer, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (15 YEAS, 5 NAYS, 1 ABSENT AND NOT VOTING). Reengrossed SB 2243 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for a legislative management study of teacher loan forgiveness programs.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. LEGISLATIVE MANAGEMENT STUDY - TEACHER LOAN FORGIVENESS PROGRAMS. During the 2017-18 interim, the legislative management shall consider studying the use of teacher loan forgiveness programs. The study, if conducted, must include a review of all existing teacher loan forgiveness programs administered by state agencies, the effectiveness of the programs, and options to develop a single program to address severe teacher shortage needs. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-sixth legislative assembly."

Renumber accordingly

2017 CONFERENCE COMMITTEE

SB 2243

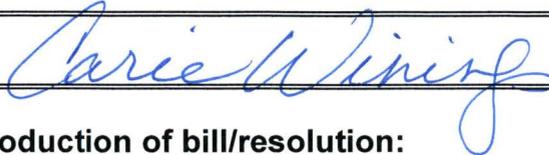
2017 SENATE STANDING COMMITTEE MINUTES

Education Committee
Sheyenne River Room, State Capitol

SB 2243
4/10/2017
Job Number 30029

Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide for a legislative management study of teacher loan forgiveness programs.

Minutes:

Attachments: 1

Chairman Schaible: Opened the conference committee on SB 2243.

Representative Owens: This bill never came to the Education Committee and it went straight to the House Appropriations. We never saw it and we never had testimony on it, yet the conference committee was assigned to me. Based on my available knowledge, Representative Delzer brought the amendment and appropriations changed this. I do not know if there was a large amount of discussion on it.

Chairman Schaible: Assuming you did not get the information and we now have before us a study, I did ask Superintendent Baesler to come down and explain the taskforce that had done this study. My interpretation is that a study is not necessary and we know all that we need to know.

Kirsten Baesler, Superintendent, North Dakota Department of Public Instruction: See Attachment #1 for information pertinent to the bill. (Recaps her testimony.) (9:20) We can collect the information that you are looking for next session but it would only be two years of data. I would be collecting that data anyways for our own purposes and we would be happy to share that to see if you are receiving a return on your investment for this incentive.

(10:07) Chairman Schaible: With your intention of preserving the language and getting this as a start and the idea that we have no extra money, what happens to the applicants if we put a little money in here three years from now when we are looking at this and there is no more money. What happens if we just put the language in there and don't have any money, or a little bit that you can do four teachers with.

Kirsten Baesler: I would say, if we could even do 4 teachers, we would still have more data than we have today to understand or determine whether teacher loan forgiveness is a viable incentive. We would reward those four teachers and we would also be able to collect

how many applicants there were that were willing to go to a small rural isolated school and teach if they had the opportunity for teacher loan forgiveness. It would be more information that I would have to share with you.

Chairman Schaible: Is a further study really necessary other than the additional information?

Kirsten Baesler: I don't believe that further study about what our need is, where our target is, and how to address it. I do think that the question that is viable is, is an incentive truly enough to make a student move to a north border or a Bowman. That would be information that we would be able to collect with this language by accepting applications.

Senator Oban: It was \$4500, \$4500 and \$6000 for a total of \$15,000 out of the Senate. It was capped at \$25,000 if they would happen to qualify for both rural remote and a critical need subject area.

Representative Mock: As we were looking at the crossover budget status report, and knowing where we are financially with various trust funds, this appropriation was coming from the student loan trust fund. As of crossover, it was overdrawn by \$1.5 million. This \$2 million appropriation was one of the appropriations that made us overdrawn. I know that there are several items still listed from the trust fund that have not been finalized. They are in SB 2003 that is still in House Appropriations. Do you know the status of those? This is a worthwhile program, but I do not think it needs to be studied again. The question is how do we fund it?

Kirsten Baesler: I do not know the status of those other student loan forgiveness. Those do depend on a teacher.

Representative Mock: Absolutely. Just looking at the numbers, it is something that if we bring this appropriation down to roughly \$440,000 it would deplete the trust fund but there would be some there. It may not be a decision for us but it is in our hands and it is something that we should consider.

Chairman Schaible: One thing to consider is that the trust fund is not rebuilding.

Representative Mock: We are depleting it as it is.

Representative Owens: We talk about sentence 5, where an individual may receive a maximum of \$25,000 under the loan forgiveness program, am I to assume then that when it says up to \$6500 for the third year, that is third and subsequent year?

Kirsten Baesler: No. (Example given.)

Representative Owens: So this is cumulative.

Kirsten Baesler: It is only for those green and yellow shaded areas on the sheet. The rationale behind that is what collectively the three different associations were able to settle on. Bismarck, Fargo, and Jamestown have just as tough of a time of getting a special

education teacher and need one as desperately as they do in a rural isolated district. We are trying to get our critical shortage area need teacher to our rural isolated school districts as well.

Representative Owens: I understand that is accumulative. I am worried that if we pass this the way that it is that would be understood by administrators. Then we are going to pay \$25,000 for someone to teach in a different area for three years. Is 3 years long enough for that amount of money?

Kirsten Baesler: That is an area that there needs to be more study on. Antidotally, our superintendents and principals have said that once a person stays in a community for 3 years, they generally stay for 5 plus years. They get involved in the community etc. That would be part of what we need to collect information on. We need to ask what we are getting as a return on our investment. Are they truly filling a need of our rural isolated schools in North Dakota then after 3 years?

Representative Owens: The reason I was asking is I come from a world where whenever you get government money like this over a small defined time, it always makes me that I got taken for my time.

Kirsten Baesler: We had discussion on that in both the taskforce and some subsequent follow up conversations with future teachers. This generation is a little skittish about joining the military or signing up for something; rather than making them feel like they have to give two years – they don't ever tend to jump in. They don't get any payment until they finish that first year. Then the loan payment occurs. Then they finish the second year and no loan payment occurs until after they have completed that contract. They made that leap and have to finish to get the reward.

Representative Mock: As I am looking at the numbers and the structure of the program, if the \$2 million were appropriated, that would have covered the first two years of the teachers that would be using the program, but the third year would not have an appropriation. That would come from the next legislative session in 2019. Since we are using this from a soon to be depleted source, we would have to find an additional source of revenue to continue this. How many teachers were you planning on serving in that?

Kirsten Baesler: when we wrote the bill with the language we were very focused on the language and what we felt was going to be a sustainable incentive. We understood that you can't bind a future legislature to any decisions. Again, since it was payment after the fact, if the 2019 legislature had chosen not to fund this or there was no way for it to be funded, obviously that teacher would have to make a decision about signing that contract for the third year knowing there would be no money available. In the original bill of \$6 million, we felt we would be able to fill all of our unfilled positions and all of our retiring teachers for our 159 school districts that would qualify for this. We were estimating that \$2 million would be 243 teachers.

Representative Mock: Based on the math, it appears it would be around 222 if the \$4500 was there for the first two years. What kind of obligation would we have had to those if we

did not have the money to fund the third year? Would there be a breach of contract if we do not fulfill the third year?

Kirsten Baesler: No. Teaching contracts run a biennial cycle because of the legislative process. Negotiated agreements go on a two-year process, but contracts for teachers go year to year.

Representative Mock: If we are going to do this, \$400,000 will only get us 44 teachers for the first two years but again there is no real commitment for ongoing. I am concerned about the sustainability but it is a really good program and I hope we can find a way to make it work.

Senator Oban: There are a number of protections built in here. No more than two teachers per school district can qualify for this. The definition for rural and remote really limits where this can be applied. I think this would be a very targeted program. I think it would eliminate the hundreds that we are talking about. These are people who are willing to go to the places that really need them. I don't see any scenario where we have to worry about 250 people applying and us signing some sort of contract for three years. That has to be determined based on all of these different qualifications we have written in the bill.

Chairman Schaible: My intention today was to bring the information here and move forward on that. What I am looking for is whether this is worthy enough to preserve the language and look for a little bit of money or not. Adjourned the conference committee on SB 2243.

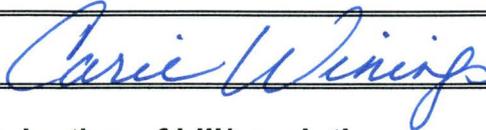
2017 SENATE STANDING COMMITTEE MINUTES

Education Committee
Sheyenne River Room, State Capitol

SB 2243
4/12/2017
Job Number 30099

Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide for a legislative management study of teacher loan forgiveness programs.

Minutes:

No Attachments

Chairman Schaible: Opened the conference committee on SB 2243.

Representative Owens: We got into a discussion in the House this morning about SB 2037 versus this bill. We are talking about two different teacher shortage systems. This one seems more robust and it focuses more on shortages and critical situations, and the other on is under Higher Ed and it has very few rules on how it is handed out. That is already funded. This one we have the funding issue, but it has some unique features. We were wondering what the Senate might think of why we have two programs in a critical budget period and why we did not find some way to replace that one with a lot of this language – keeping in the part about no duplications and the flexibility of not having to do the exact amount so that you could apply it to more applicants. Then, also look at whether it should be under Higher Ed or DPI. These questions came up this morning.

Chairman Schaible: We had some of that discussion on HB 1324 this afternoon. There were discussions of maybe combining some of this and using the same funding source and then also taking the best parts of both and leaving it in one. Is the House interested in pursuing some kind of language down that avenue? Questions that we would have is if we would have is if we would let Higher Ed implement it and let them do the STEM program, but then switch the teachers program under there but under the discretion of DPI?

Representative Owens: With advice on critical areas and shortages from DPI or something along that line.

Chairman Schaible: So, DPI would pick the teacher in the educational area?

Representative Owens: They would pick the locations. They would have to or we would lose the need of this one.

Chairman Schaible: What about the funding amounts?

Representative Owens: That is what I was worried about too. The level of the amounts.

Chairman Schaible: I had some visitations with the different entities on having local schools put part of a contribution into that amount. There were real concerns about how we have the ability now for schools to offer bonuses. There seems to be resistance to use that or resistance in hiring because of the negotiation and the perception that has on negotiated agreements. I asked that question if this teacher loan forgiveness would have that same effect. I think they suggest it would, but they are not sure if it would be to the same extent. They thought it would probably be there but they don't know for sure. If we required the local school to provide a portion of the match, would that be counterproductive to what we are trying to do with this?

Representative Owens: That is an interesting thought in having the district contribute to it. It seems like that would cause more trouble in the collective bargaining as far as salaries in the critical need areas.

Senator Rust: The teacher shortage loan program in the technology shortage loan programs have been around for a while. Teachers are accustomed to those being out there and they are accustomed to those amounts and being able to apply for those. Furthermore, you can have any number of teachers who are new to a system who can apply for those loans. This bill says it is no more than two teachers per district. The other thing about this one is if we can find the dollars to do it, the whole idea of this one is to really throw out an incentive. It is a pretty good dollar amount plus if they happen to be in those two areas they can double dip. It really would probably bring some people to some rural areas that they do not come to now. I would hate to see the two we have now go away. With combining them into one, I have a fear that maybe this one may overrule the others. I am not sure if that is a win/win.

Senator Oban: I see this bill being an ultimate goal of seeing if it works. We have a problem and the current system is not working to target these rural remote school districts and critical shortage areas. Continuing to do the same thing just because it has been in existence for a long time may not be the best plan. I think we need to see if this works. Studying it is not going to fix it because the taskforce has done that for years. I think just saying that what we have currently is good enough is not going to solve it either. Ultimately in my mind, this is very targeted - let's track it and see if this works. This is a program that we need to try.

Senator Rust: we have any number of teachers that apply for those loan forgiveness programs and I would hate to see that go away. This is new and let's try and see if it works and let's make it big enough to get some of those people in the rural areas.

Representative Owens: I understand the concern for those already applying. It skews whether or not the current program has an effect on teacher shortage. My situation is that we can agree to anything here, but getting something passed through the House when there already is a program passed and then we bring another one in a budget crunch era.

Chairman Schaible: Unless we reduce one and put money to the other one. We can't ask for more money. If we are going to fund something, we are going to have to get it from

somewhere within. I was informed that we had money left in the student loan trust fund. It was about \$3 million.

Senator Rust: There are two places for funding.

Chairman Schaible: Just because there is \$3 million that is not spent, it does not mean that there are no other people looking at it. We talked about expanding programs earlier and some of arguments now are that we are not doing that.

Representative Owens: I agree with you. I think by the time I heard \$3 million there were already 15 people who had spent \$6 million. The other issue that we would have to concern ourselves with if we did do a consolidation is that it is not designed to get rid of the current one, but to make it more robust and focus it more on shortages. So we can we track it and see if it is the incentive that makes the difference, or is this an incentive that we have that makes very little effect or a mediocre effect. We can speculate all we want, but until we do it we will not know. The way the other one works is that everyone applies and we don't restrict some of it for rural areas, then we may never know what this does because all of that money will be divided up into whoever applied.

Chairman Schaible: We would have to carve out which goes to STEM and which one goes to this.

Representative Owens: I thought those two were essentially separate.

Chairman Schaible: They were separately written, except the funding is one source I believe.

Senator Rust: There is substantially more in the other one than in the teacher shortage.

Chairman Schaible: That is the thing we have to figure out. If you are going to take it from something you have to figure out what gets left in STEM and what gets used for this.

Representative Owens: That may be an uphill battle because the STEM was a result of the Department of Commerce – the people working the workforce as opposed to teachers.

Chairman Schaible: I don't have any intention of taking it away from something that we are currently doing.

Representative Owens: If someone would give us \$6 million we would have this solved. I don't know where to get it from.

Chairman Schaible: Are we interested in pursuing this a little closer? Getting a little more information on the amount of money. How we would divvy it up. Transferring the teacher loan forgiveness part into SB 2037 and then letting that still be managed by Higher Ed but having DPI designate the teachers.

Senator Oban: Didn't we already pass out SB 2037 again?

Chairman Schaible: It doesn't matter.

Representative Owens: We can let the Governor sign it and do something else after it. One other thing that confused me about this. It does not matter to me that much but I would like to clean it up and make it clearer. It was the double dipping issue. I did not understand it. I would rather it read for a shortage the first amounts and then for a critical area it would be higher amounts. Then you would go to one or the other depending what DPI determined what positions would fall under which one. Rather than giving both.

Chairman Schaible: I do not have a problem with that.

Representative Owens: It just seems cleaner to me.

Senator Rust: There were 17 individuals who collected under both the tech and the teacher shortage last year. The feeling was that there should be one collection. Last year they gave money to about 70% and 30% did not get anything, and what I am told now is that the bill says they can lower it and consider everyone that applies. They would drop the amount down and then everyone gets something. That is the mechanics of SB 2031.

Representative Owens: I understand that was the two key components of that; the flexibility and the up to, and to eliminate the first come, first serve aspect of it. It was to do away with the double dipping as well. That would have to be included in this if this robust language was to fill in for that as well. These all say "up to" which indicates flexibility.

Senator Oban: My question would be if you want that sort of discrepancy, what would the dollar amount difference be? Again, we are trying to make sure that if there is a critical need area not being filled, that there is still a huge incentive in place for me to choose a special ed position in a small town over a large town. What would be that dollar amount difference in your mind?

Representative Owens: If we bring these together we would have to delineate because we wouldn't want the everyday teacher shortage to interfere with the critical teacher shortages. We maybe need to manage it based on a percentile.

Senator Oban: If the goal is to simplify this, I don't see how using percentages is easier than saying they qualify for this or you double it.

Representative Owens: I was talking about the percentages of the dollar amount going to one or the other or the other. I was not talking about a percentage of payout. I was referring to a pool of money and a percentage going to the general incentive program in Higher Ed now and then out of the remainder splitting between the other programs. It is just a basic idea.

Chairman Schaible: You would probably have to set an amount on there and if it doesn't get then you prorate it. If you have too many applicants.

Representative Owens: Exactly, up to. And then if there is any money left over it flows back into the pot for the other programs. That is just a thought. We do not have to do it that way. That is an idea on the fly.

Chairman Schaible: What do we want to look at for additional information for the next meeting.

Senator Oban: I am going to request some background information from Higher Ed. I want to know if there is any data that shows how effective this is. I know they have tons of people applying, but what does that mean necessarily? When was this program started? Why? I understand the concern that has been expressed. I think it is sort of being used as a cop out to not do anything that is substantial. Not necessarily by the people at this table. I am hoping I can get some information that will help us determine how we can fix the problem.

Chairman Schaible: Adjourned the conference committee on SB 2243.

2017 SENATE STANDING COMMITTEE MINUTES

Education Committee
Sheyenne River Room, State Capitol

SB 2243
4/18/2017
Job Number 30209

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide for a legislative management study of teacher loan forgiveness programs.

Minutes:

No Attachments

Chairman Schaible: Opened the conference committee on SB 2243. I think everyone knows we have another bill that is going to do the same thing.

Senator Rust: Moved the Senate accede to the House amendments.

Representative Owens: Seconded.

A Roll Call Vote Was Taken: 6 yeas, 0 nays, 0 absent.

Motion Carried.

Senator Schaible and Representative Owens will carry the bill.

Date: 4/18
 Roll Call Vote #: 1

**2017 SENATE CONFERENCE COMMITTEE
 ROLL CALL VOTES**

BILL/RESOLUTION NO. SB 2243 as (re) engrossed

Senate "Enter committee name" **Committee**

- Action Taken **SENATE accede to House Amendments**
 SENATE accede to House Amendments and further amend
 HOUSE recede from House amendments
 HOUSE recede from House amendments and amend as follows
 Unable to agree, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Senator Rust Seconded by: Representative Owens

Senators	4/10	4/12	4/18	Yes	No	Representatives	4/10	4/12	4/18	Yes	No
Senator Schaible (Chair)	✓	✓	✓	✓		Representative Owens	✓	✓	✓	✓	
Senator Rust	✓	✓	✓	✓		Representative Ruby	✓	✓	✓	✓	
Senator Oban	✓	✓	✓	✓		Representative Mock	✓	AD	AD	✓	
Total Senate Vote						Total Rep. Vote					

Vote Count Yes: 6 No: 0 Absent: 0

Senate Carrier Schaible House Carrier Owens

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted
 Statement of purpose of amendment

REPORT OF CONFERENCE COMMITTEE

SB 2243, as reengrossed: Your conference committee (Sens. Schaible, Rust, Oban and Reps. Owens, M. Ruby, Mock) recommends that the **SENATE ACCEDE** to the House amendments as printed on SJ page 1055 and place SB 2243 on the Seventh order.

Reengrossed SB 2243 was placed on the Seventh order of business on the calendar.

2017 TESTIMONY

SB 2243

SB 2243 Teacher Shortages - Loan Forgiveness Senator Don Schaible

Good morning Chairman Rust and the Senate Education Committee

This bill is to entice more people to enter the teaching profession and attract these new teachers to the rural areas where most of the critical needs are. This would increase the teacher pool and would be a benefit of the entire state. Offering this program for three years assumes that if the teacher is in a location for three years, there is greater possibility to stay in that community.

I will walk you through the bill.

Section 1 sub section 1 requires the Department of Public Instruction develop rules to implement this program

Sub sec 2 requires that grade levels, content areas and location of teacher shortages of critical need be identified.

Sub sec 3 provides for the requirements to be eligible for the loan forgiveness which includes being a graduate of an accredited teacher preparation program, sign a contract at a grade level or in a content area of teacher shortage or critical need. This would forgiveness would only apply to a student loan.

Sub sec 4 provides payments of \$4500 for the first year, \$4500 for the second year and \$6000 for the third year for rural or remote school of school of a thousand students or less and for schools with critical need areas. Critical need areas are determined by the Superintendent of Public Instruction in up to 5 areas.

Sub sec 5 requires priority for core content area

Sub sec 6 pays the forgiveness directly to lending institute after completion of teaching for that year.

Sub 7 clarifies the definition of rural school district and remote town school districts

Section 2 provides up to \$6 million from the Student Loan Trust fund for this program

SB 2243
1-23-17
#2 p.1

TESTIMONY ON SB 2243
Senate Education Committee
January 23, 2017
by Superintendent Kirsten Baesler
(701) 328-4572
Department of Public Instruction

Mr. Chairman and members of the committee:

My name is Kirsten Baesler, State Superintendent of the North Dakota Department of Public Instruction. I am here today to provide testimony in support of SB 2243, relating to a teacher loan forgiveness program for teachers at a grade level or in a content area or in a geographical location identified as having an existing teacher shortage or critical need.

Teacher shortages have been a concern for many years and each year the concern grows more serious. During the 2015-2016 school year, there were 204 teacher openings that were unfilled. While good teachers are needed in all settings, there are particular fields of teaching and geographic areas in which it is more difficult to recruit and keep qualified professionals. In June 2015, I assembled a task force to compile and analyze data related to teacher shortages and to explore potential solutions.

The task force looked at which content areas had the highest need for teachers and which areas of the state had the most difficulty recruiting and

SB 2243
1-23-17
#2.p.2

retaining licensed teachers. Attached to this testimony is North Dakota's most recent official report of documented teacher shortage areas.

With the difficulties of filling teaching positions, schools are coping in a variety of ways. Some schools are not offering specific classes because there is no qualified teacher to fill the position. I mentioned that 204 positions went unfilled last school year. Considering some schools are omitting or removing classes from their schedules because of the teacher shortage, this number would be higher if we had data on these cases.

The state is doing what it can to support our schools in need of teachers. During the 2015-2016 school year, the Education Standards and Practices Board (ESPB) issued 141 Alternate Access Licenses. The Alternate Access License is issued to those that do not have a teaching degree but have a bachelor's degree in a documented content shortage area. ESPB also reported issuing 1,412 Interim Substitute licenses to fill the unfilled teaching needs in our state. The Interim Substitute licenses are issued to individuals with a minimum of 48 semester hours of college coursework.

Schools have been utilizing these alternate and substitute licenses in filling teaching positions. They have used long-term substitutes, created larger classrooms, allowed teacher overloads, combined grade levels, hired more paraprofessionals, used the teacher in residence programs, and accessed retired

teachers. In the 2014-2015 school year, 314 retired teachers were re-employed to work in our schools.

To recruit, school administrators utilize ND Job Service, career fairs, local newspapers, online employment programs, collaborate with teacher education programs at universities throughout the nation, and make college visits to meet with education students. They have also offered “low” rent for housing, provided scholarships for graduate courses, granted moving expense vouchers, and flown applicants to the state for interviews.

But to put it simply these incentives have not been enough to entice new teacher graduates or even more experienced teachers to sign a contract and move to a rural school district or remote town with a small student population. Probably one of the most enlightening pieces of information the task force received was from a study conducted in 2016 by Dr. Larry Skogen, President of Bismarck State College on behalf of Chancellor Mark Hagerott. The first phase of this study focused on the key question, “ Are the state’s and each region’s economic, education, and workforce needs being met by the current structure of and program delivery by the North Dakota University System and its individual institutions?”

For the purposes of the K-12 portion of this study the following resources were used in compiling the statistical data from which they drew the conclusions of the study:

- Five year-trend in statistical analysis of each institution's completions by programs and/or degrees/certifications;
- North Dakota Job Service analysis of future trends in education, training, and workforce needs in North Dakota at large; and
- North Dakota Education Standards and Practices Board statistics and analysis of K-12 teacher needs in the state.

This study resulted in the following conclusion, "There are very uneven employee pools available for jobs depending on location and salary levels. For example, NDUS provides Fargo, Grand Forks, and Bismarck a pool of employees to select from, but those same pools of employees are not readily available to employers in more rural areas of the state. This is particularly true in K-12 education."

The study concluded that if one looks at the number of degrees NDUS conferred in education and compares those numbers with Job Service's and ESPB's projection for the need for K-12 educators in the next five years it is clear that more than enough graduates majored in Education programs to meet the state's teaching needs.

The reality is there are teacher shortages statewide, and obviously just because a person graduates with a teaching degree does not mean that person is intending to or willing to teach in our rural or remote town schools with small populations.

It became clear to the task force members that the regions in the state with the most critical need were rural schools or towns in remote settings with small student populations.

After reviewing this study and a plethora of other data on teacher shortages, the task force members developed a list of solutions. One solution was to incentivize working in high need areas or in rural schools or remote town schools with small student populations by expanding loan forgiveness as outlined in this bill.

Eligible individuals teaching at a grade level or in a content area identified as having an existing teacher shortage or critical need and teaching in a rural or remote town school district with an enrollment of fewer than one thousand students may receive loan forgiveness.

The bill provides loan forgiveness to eligible teachers in each of these categories for three years, with the third year paying the highest amount. The three year timeframe and third year increase in loan forgiveness was strategically established to encourage teacher retention.

It is the task force's belief that this loan forgiveness program will be enough incentive to help ease our critical teacher shortage and teacher shortage in our rural and remote town schools with small populations.

Mr. Chairman and members of the committee I urge a strong "Do Pass" vote on SB2243. I would be happy to answer any questions you may have.

2016-2017 North Dakota Teacher Shortage Report FTE's

<u>Course Area</u>	<u>Regular</u>	<u>Irregular</u>	<u>Openings</u>	<u>Total</u>	<u>Shortage</u>	<u>Percentage</u>
Economics and Free Enterprise System	0	3	0	3	3	100.00%
Computer Education	7		1.5	8.5	1.5	17.65%
Driver and Traffic Safety Education	14.5		1	15.5	1	6.45%
Agriculture Education	96.9		6	102.9	6	5.83%
Special Education	396.16	6	18.3	420.46	24.3	5.78%
Family and Consumer Sciences	144.64	3	3.5	151.14	6.5	4.30%
Science	408.99	16	1	425.99	17	3.99%
PK-12 Counselor	395.38	11	1	407.38	12	2.95%
Mathematics	485.81	4	5.5	495.31	9.5	1.92%
English Language Arts	488.72	7	2	497.72	9	1.81%
Music	235.08	1	2.9	238.98	3.9	1.63%
Physical Education	298.77	2	2	302.77	4	1.32%
Social Studies	419.14	4	1	424.14	5	1.18%
Elementary Teacher (K-8)	6875.16	6.5	17.42	6899.08	23.92	0.35%
Languages/Native American Languages	48.42	2	0	50.42	2	3.97%
Art	99.18		1.5	100.68	1.5	1.49%
Early Childhood Teacher (PK)	218.57	2.5		221.07	2.5	1.13%
Trade and Industrial Education	87.91		1	88.91	1	1.12%
Business and Office Technology/Business Education	206.75		2	208.75	2	0.96%
Career Education	195.87		0	195.87	0	0.00%
Diversified Occupations	1.71		0	1.71	0	0.00%
Health	106.59		0	106.59	0	0.00%
Health Careers	38.21		0	38.21	0	0.00%
Marketing Education	25.7		0	25.7	0	0.00%
Technology Education/Industrial Arts	72.5		0	72.5	0	0.00%
Vocational Information Technology	26.6		0	26.6	0	0.00%

** See Col "Pct". Must be 5% or greater.

** See Col "Shortage" - Have more than three (3) vacancies.

SB 2243
1-23-17
HDPK

SB 2243
1-23-2017
#3 p.1



Great Public Schools

Great Public Service

Testimony before the Senate Education Committee
SB 2243
January 23, 2017

Chairman Schaible, Members of the Committee:

For the record, my name is Nick Archuleta and I am the president of North Dakota United. I rise today on behalf of our 11,500 members requesting a DO PASS on Senate Bill 2243. SB 2243 will provide much needed student loan relief for people teaching in geographic areas that struggle to recruit and retain teachers and in subject areas that are difficult to fill.

The issue of Recruitment and Retention of teachers is not new to North Dakota and North Dakota is not the only state struggling with this issue. Nearly every state in the country is dealing with a shortage of qualified teachers. There is no "silver bullet" solution to this issue and it certainly is not easy to fix. If it were easy to solve we would have done so by now. The National Education Association has estimated the United States will need in excess of 2 million teachers in the next 10 years. That means Wishek will not only be competing with Williston and Washburn, but also with 49 other states for the best teachers.

The Recruitment and Retention taskforce knew we needed to do something big to START dealing with this issue. We considered a marketing campaign promoting the profession and determined it was too expensive. ND United advocated for paying teachers like professional athletes but most people did not think the state budget would allow for that.

The taskforce decided on the bill in front of you that creates a significant loan forgiveness program for teachers. If we are going to get young people to go to a place without a Starbucks, likely less salary and far fewer people around their age for social interaction, we cannot expect \$500 or \$1,000 to do the job. We decided the proposal before you, which

SB 2243
1-23-17
#3 p.2

would essentially pay off student loans for a teacher willing to go to a smaller community and teach in an area that is hard to fill, might help convince new teachers to broaden their search areas as they contemplated where they will work and live.

No doubt, to many, this investment may appear to be an expensive proposition. But if we are serious about solving the teacher recruitment and retention problem, and believe that every student, no matter where they live, deserve the opportunity to have a qualified teacher in their classroom, and the kids of Mott deserve the same electives as the kids in Bismarck then it is worth the investment.

Is this a slam dunk solution to an existing problem? We will not know until it has been implemented. What we do know is that it is the first credible plan to come down the pipe to address an ongoing challenge that will only grow worse in the coming years. We urge a DO PASS recommendation on SB 2243

SB 2243
1-23-17
#4 p.1



**SB2243 – Teacher Loan Forgiveness Program
Testimony in Support
North Dakota Council of Educational Leaders – Dr. Aimee Copas
1/23/2017**

Senator Schaible and members of the Senate Education Committee, for the record my name is Dr. Aimee Copas and I serve as the Executive Director for the North Dakota Council of Educational Leaders (NDCEL) representing our school leaders. Thank you for allowing me the opportunity to visit with you in support of SB2243 which provides for a teacher loan forgiveness.

For several months during the interim I had the opportunity to serve on the Teacher Recruitment and Retention Task Force. Our task was to discern where our teacher shortage problem was stemming from and find solutions to alleviate the problem. For the past couple years, NDCEL has been collecting teacher shortage data and have found some things that were similarly found by the taskforce. For example, we've been approaching each school year for the past two years with between 100-200 open positions. The rural areas have displayed the areas of most critical need. This teacher shortage is not only a North Dakota problem, but a national problem. With teacher college accreditation standards changing and limiting the type of student colleges are able to admit into the program, we are seeing a problem in our future with fewer students entering the profession and the rural amenity issue that is simply a part of rural reality. Most certainly we do have an issue that needs to be addressed. I've tried with no success Starbucks to open in Pembina or any other small community in our state, and I for some reason have the same no-results conversation with Target, Scheels, and Walmart.

Our schools of education by-in-large are producing enough educators per-se' but what is happening is that they aren't entering the classroom. This is happening due to a myriad of reasons. Some of the very real reasons include:

- Location
- Pay
- Perception of career as displayed by media and others
- Challenges with parents
- Work load balance with reward

We discussed every angle regarding how to approach this issue and impactfully make a difference. The one area that we came to that would produce the best results is to get the teachers we DO train in this state to be willing to go to the areas of our state that have the greatest struggle with teachers – our rural areas – and to in parallel encourage individuals to go into areas of education that we have an extreme shortage such as special education.

Ladies and gentlemen, I realize that we have an issue with funding – that has been no secret to any of us, but this is a real challenge that is begging for a solution. We believe this solution has real viable potential of making an impact. We recommend a DO PASS on SB2243. Thank you for your time.

17.0642.03001
Title.

Prepared by the Legislative Council staff for
Senator Rust

January 24, 2017

1-25-17
#1
SB 2243

PROPOSED AMENDMENTS TO SENATE BILL NO. 2243

Page 2, line 8, after "5." insert: "An eligible individual may receive a maximum of fifteen thousand five hundred dollars of loan forgiveness under the program."

6."

Page 2, line 10, replace "6." with "7."

Page 2, line 18, replace "7." with "8."

Renumber accordingly

17.0642.03002
Title.

Prepared by the Legislative Council staff for
Senator Oban

January 25, 2017

1-30-2017

SB. 2243

41

PROPOSED AMENDMENTS TO SENATE BILL NO. 2243

Page 2, line 8, after "5." insert: "An eligible individual may receive a maximum of twenty-five thousand dollars of loan forgiveness under the program."

6."

Page 2, line 10, replace "6." with "7."

Page 2, line 18, replace "7." with "8."

Renumber accordingly

SB 2243

2-8-17

SB 2243 Teacher Shortages - Loan Forgiveness Senator Don Schaible #1

Good morning Chairman Holmberg and the Senate Appropriations Committee

This bill is to entice more people to enter the teaching profession and attract these new teachers to the rural areas where most of the critical needs are. This would increase the teacher pool and would be a benefit of the entire state. Offering this program for three years assumes that if the teacher is in a location for three years, there is greater possibility to stay in that community.

I will walk you through the bill.

Section 1 sub section 1 requires the Department of Public Instruction develop rules to implement this program

Sub sec 2 requires that grade levels, content areas and location of teacher shortages of critical need be identified.

Sub sec 3 provides for the requirements to be eligible for the loan forgiveness which includes being a graduate of an accredited teacher preparation program, sign a contract at a grade level or in a content area of teacher shortage or critical need. This would forgiveness would only apply to a student loan.

Sub sec 4 provides payments of \$4500 for the first year, \$4500 for the second year and \$6000 for the third year for rural or remote school of school of a thousand students or less and for schools with critical need areas. Critical need areas are determined by the Superintendent of Public Instruction in up to 5 areas.

Sub sec 5 caps the total amount one teacher may receive at \$25,000

Sub sec 6 requires priority for core content area

Sub sec 7 pays the forgiveness directly to lending institute after completion of teaching for that year.

Sub 8 clarifies the definition of rural school district and remote town school districts
Section 2 provides up to \$6 million from the Student Loan Trust fund for this program

TESTIMONY ON SB 2243
Senate Appropriations Committee
February 8, 2017
by Superintendent Kirsten Baesler
(701) 328-4572
Department of Public Instruction

SB 2243
2-8-17
#2

Mr. Chairman and members of the committee:

My name is Kirsten Baesler, State Superintendent of the North Dakota Department of Public Instruction. I am here today to provide testimony in support of SB 2243, relating to a teacher loan forgiveness program for teachers at a grade level or in a content area or in a geographical location identified as having an existing teacher shortage or critical need.

Teacher shortages have been a concern for many years and each year the concern grows more serious. During the 2015-2016 school year, there were 204 teacher openings that were unfilled. While good teachers are needed in all settings, there are particular fields of teaching and geographic areas in which it is more difficult to recruit and keep qualified professionals. In June 2015, I assembled a task force to compile and analyze data related to teacher shortages and to explore potential solutions.

The task force looked at which content areas had the highest need for teachers and which areas of the state had the most difficulty recruiting and

retaining licensed teachers. Attached to this testimony is North Dakota's most recent official report of documented teacher shortage areas.

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9

SB 2243 Teacher Shortages - Loan Forgiveness Senator Don Schaible

Good morning Chairman Delzer and the House Appropriations Committee

This bill is to entice more people to enter the teaching profession and attract these new teachers to the rural areas where most of the critical needs are. This would increase the teacher pool and would be a benefit of the entire state. Offering this program for three years assumes that if the teacher is in a location for three years, there is greater possibility to stay in that community.

I will walk you through the bill.

Section 1 sub section 1 requires the Department of Public Instruction develop rules to implement this program

Sub sec 2 requires that grade levels, content areas and location of teacher shortages of critical need be identified.

Sub sec 3 provides for the requirements to be eligible for the loan forgiveness which includes being a graduate of an accredited teacher preparation program, sign a contract at a grade level or in a content area of teacher shortage or critical need. This would forgiveness would only apply to a student loan.

Sub sec 4 provides payments of \$4500 for the first year, \$4500 for the second year and \$6000 for the third year for rural or remote school of school of a thousand students or less and for schools with critical need areas. Critical need areas are determined by the Superintendent of Public Instruction in up to 5 areas.

Sub sec 5 caps the total amount one teacher may receive at \$25,000

This bill allows for new teachers to apply in both areas of rural designation and in critical shortage areas, but since the estimated cost of receiving a degree in Education is estimated around \$32000 the Senate Education Committee suggested that a cap would be appropriate.

Sub sec 6 requires priority for core content area

Sub sec 7 pays the forgiveness directly to lending institute after completion of teaching for that year.

Sub 8 clarifies the definition of rural school district and remote town school districts

Section 2 provides up to \$2 million from the Student Loan Trust fund for this program

TESTIMONY ON SB 2243
House Appropriations Committee
March 13, 2017
by Superintendent Kirsten Baesler
(701) 328-4572
Department of Public Instruction

Mr. Chairman and members of the committee:

My name is Kirsten Baesler, State Superintendent of the North Dakota Department of Public Instruction. I am here today to provide testimony in support of SB 2243, relating to a teacher loan forgiveness program for teachers at a grade level or in a content area or in a geographical location identified as having an existing teacher shortage or critical need.

Teacher shortages have been a concern for many years and each year the concern grows more serious. During the 2015-2016 school year, there were 204 teacher openings that were unfilled. While good teachers are needed in all settings, there are particular fields of teaching and geographic areas in which it is more difficult to recruit and keep qualified professionals. In June 2015, I assembled a task force to compile and analyze data related to teacher shortages and to explore potential solutions.

The task force looked at which content areas had the highest need for teachers and which areas of the state had the most difficulty recruiting and

retaining licensed teachers. Attached to this testimony is North Dakota's most recent official report of documented teacher shortage areas.

With the difficulties of filling teaching positions, schools are coping in a variety of ways. Some schools are not offering specific classes because there is no qualified teacher to fill the position. I mentioned that 204 positions went unfilled last school year. Considering some schools are omitting or removing classes from their schedules because of the teacher shortage, this number would be higher if we had data on these cases.

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Schools have been utilizing these alternate and substitute licenses in filling teaching positions. They have used long-term substitutes, created larger classrooms, allowed teacher overloads, combined grade levels, hired more paraprofessionals, used the teacher in residence programs, and accessed retired

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But to put it simply these incentives have not been enough to entice new teacher graduates or even more experienced teachers to sign a contract and move to a rural school district or remote town with a small student population. Probably one of the most enlightening pieces of information the task force received was from a study conducted in 2016 by Dr. Larry Skogen, President of Bismarck State College on behalf of Chancellor Mark Hagerott. The first phase of this study focused on the key question, “ Are the state’s and each region’s economic, education, and workforce needs being met by the current structure of and program delivery by the North Dakota University System and its individual institutions?”

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This study resulted in the following conclusion, "There are very uneven employee pools available for jobs depending on location and salary levels. For example, NDUS provides Fargo, Grand Forks, and Bismarck a pool of employees to select from, but those same pools of employees are not readily available to employers in more rural areas of the state. This is particularly true in K-12 education."

The study concluded that if one looks at the number of degrees NDUS conferred in education and compares those numbers with Job Service's and ESPB's projection for the need for K-12 educators in the next five years it is clear that more than enough graduates majored in Education programs to meet the state's teaching needs.

The reality is there are teacher shortages statewide, and obviously just because a person graduates with a teaching degree does not mean that person is

intending to or willing to teach in our rural or remote town schools with small populations.

It became clear to the task force members that the regions in the state with the most critical need were rural schools or towns in remote settings with small student populations.

After reviewing this study and a plethora of other data on teacher shortages, the task force members developed a list of solutions. One solution was to incentivize working in high need areas or in rural schools or remote town schools with small student populations by expanding loan forgiveness as outlined in this bill.

Eligible individuals teaching at a grade level or in a content area identified as having an existing teacher shortage or critical need and teaching in a rural or remote town school district with an enrollment of fewer than one thousand students may receive loan forgiveness.

The bill provides loan forgiveness to eligible teachers in each of these categories for three years, with the third year paying the highest amount. The three year timeframe and third year increase in loan forgiveness was strategically established to encourage teacher retention.

It is the task force's belief that this loan forgiveness program will be enough incentive to help ease our critical teacher shortage and teacher shortage in our rural and remote town schools with small populations.

Mr. Chairman and members of the committee I urge a strong "Do Pass" vote on SB 2243. I would be happy to answer any questions you may have.

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Att 3 3.13.17
SB 2243



Great Public Schools

Great Public Service

Testimony before the House Appropriations Committee

SB 2243

March 13, 2017

Chairman Delzer, Members of the Committee:

For the record, my name is Nick Archuleta and I am the president of North Dakota United. I rise today on behalf of our 11,500 members requesting a DO PASS on Senate Bill 2243. SB 2243 will provide much needed student loan relief for people teaching in geographic areas that struggle to recruit and retain teachers and in subject areas that are difficult to fill.

The issue of Recruitment and Retention of teachers is not new to North Dakota and North Dakota is not the only state struggling with this issue. Nearly every state in the country is dealing with a shortage of qualified teachers. There is no "silver bullet" solution to this issue and it certainly is not easy to fix. If it were easy to solve we would have done so by now. The National Education Association has estimated that nationally, we will need in excess of 2 million teachers in the next 10 years. In North Dakota, there are 1087 teachers who are eligible for retirement who continue to teach in our schools. That means Wishek will not only be competing with Williston and Washburn, but also with 49 other states for the best teachers.

The Recruitment and Retention taskforce knew we needed to do something big to begin dealing with this issue. We considered a marketing campaign promoting the profession and determined it was too expensive. ND United advocated for paying teachers like professional athletes but most people did not think the state budget would allow for that.

The taskforce decided on the bill in front of you that creates a significant loan forgiveness program for teachers. If we are going to get young people to go to a place without a Starbucks, for likely less salary and far fewer people around their age for social interaction, we cannot expect \$500 or \$1,000 to do the job. We decided the proposal before you, which would essentially pay off student loans for a teacher willing to go to a smaller community and teach in an area that is hard to fill, might help convince new teachers to broaden their search areas as they contemplate where they will work and live.

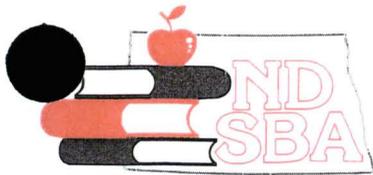
No doubt, to many, this investment may appear to be an expensive proposition. But if we are serious about solving the teacher recruitment and retention problem , and believe that every student, no matter where they live, deserve the opportunity to have a qualified teacher in their classroom, and the kids of Underwood deserve the same electives as the kids in Bismarck then it is worth the investment.

Is this a slam dunk solution to an existing problem? We will not know until it has been implemented. What we do know is that it is the first credible plan to come down the pipe to address an ongoing challenge that will only grow worse in the coming years.

We urge a DO PASS recommendation on SB 2243

With that, Mr. Chairman, my remarks are concluded and I will be happy to answer any questions that you and the Committee may have.

Att. 4 3.13.17
SB 2243



Excellence in North Dakota public education through local school board governance

**NORTH DAKOTA
SCHOOL BOARDS
ASSOCIATION**
I N C O R P O R A T E D



REENGROSSED SB 2243 – TESTIMONY

L. Anita Thomas, J.D., LL.M.

General Counsel

North Dakota School Boards Association

March 13, 2017

The NDSBA is supportive of this concept. We are blessed in North Dakota with many wonderful places to call home. We have beautiful scenery, good people, and we offer a lifestyle that many others could only dream about. Unfortunately, when it comes to our newly minted teachers, the beautiful scenery, good people, and lifestyles of an urban area are often far more attractive than what is available in the rural areas. These days, however, even our urban school districts have difficulty recruiting teachers in certain areas of expertise.

Over time, there may be systemic changes that can be put in place to make the teaching profession more attractive to young people. But, until that is done, we have to rely on stop gap measures such as this to ensure that there are teachers in our classrooms.

As school boards, we are limited in what we can do to attract teachers financially and we truly hope that in these challenging times, you will consider this bill to be a priority and do everything you possibly can to fully fund the program.

SB 2243 4-10-17

#1 pg 1



Editorial: Anatomy of a 'Do Pass' bill in North Dakota

By Tom Dennis on Mar 5, 2017 at 7:15 a.m.

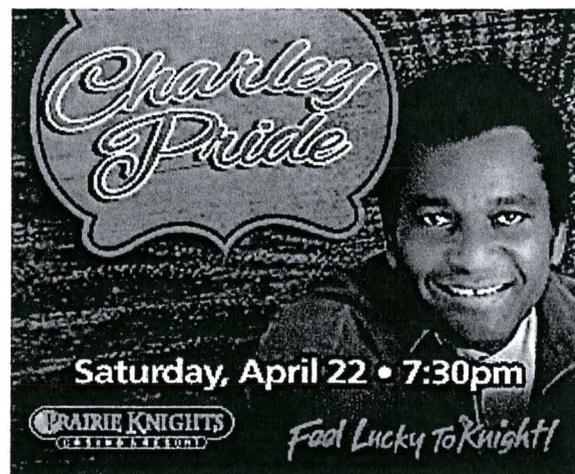
Now and then, it's worth taking a look at how the sausage gets made.

From a distance, at least. And from that vantage, the "sausage making" that went into the drafting of Senate Bill 2243 is worth noting, because the people in charge did the key things right.

"Senate Bill 2243 creates a student loan reimbursement program for two teachers to work in a North Dakota school district or nonpublic school with fewer than 1,000 students," Forum News Service reported.

"The program will reimburse up to \$4,500 per teacher in each of the first two years and up to \$6,500 in the third year," with a maximum of \$25,000 if the teacher is filling a critical vacancy.

So far, so good. SB 2243 now has passed the Senate and is being considered in the House.



SB 2243 4-10-17 #1 pg 2

But our point is to call attention to some of the prep work that made this bill—which is, after all, proposing new spending at a time of cutbacks everywhere else—sail through the Senate, 42-4.

Kirsten Baesler, state superintendent of public instruction, describes the process in her interview on this page. As Baesler recounts, it started with a North Dakota University System study of how well the NDUS is meeting the state's workforce needs.

Where training teachers is concerned, "what we learned is that the system graduates plenty of teachers," Baesler says.

"But if they don't get a job in Bismarck or Fargo or Grand Forks, they're choosing not to use that degree." For lots of would-be teachers, it's better to find alternative work in a bustling city than to go to work in a small-town school, especially considering the very modest salaries most rural school districts offer, it turns out.

That's solid and new information. Best of all, it's useful, too. It helped narrow down the policy-response possibilities, ruling out an attempt to, say, attract teachers from Minnesota or Wisconsin.

Then the state's leadership took the next step: They interviewed some of those Fargo and Grand Forks teachers-doing-other-things. So, what would it take to entice them to leave the bright lights and big city behind, and go to work in a North Dakota country school?

"A lot," said the teachers, as Baesler recounts. Specifically, it would take repaying their student loans, and through a much more generous program than the state currently offers.

Senate Bill 2243 was born.

To sum up, the supporters of this bill effectively researched the problem they were trying to solve, learned the particulars of that problem in North Dakota and crafted a policy that uses a targeted approach.

SB 2243 4-10-17 #1 pg 3

No wonder the bill passed the Senate. It should pass the House, too. And reformers of the future who are looking to pass laws should take a lesson from the history of SB 2243.

-- Tom Dennis for the Herald

ADVERTISEMENT

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House Appropriations Committee
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SB 2243 4-10-17 #1099