

**FISCAL NOTE**  
**Requested by Legislative Council**  
**04/24/2019**

Amendment to: Engrossed HB 1429

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

	2017-2019 Biennium		2019-2021 Biennium		2021-2023 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>			\$0			
<b>Expenditures</b>			\$2,710,000		\$1,355,000	
<b>Appropriations</b>			\$0		\$0	

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

	2017-2019 Biennium	2019-2021 Biennium	2021-2023 Biennium
<b>Counties</b>			
<b>Cities</b>			
<b>School Districts</b>			
<b>Townships</b>			

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

HB 1429 will enact the administration of the teacher loan forgiveness program from NDUS to the NDDPI.

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

\$2,103,393 is dedicated to the teacher shortage loan forgiveness program. HB 1429 does not include an appropriation, however, the Executive Budget recommends \$2,103,293 for the Department of Public Instruction.

Funds for the current cohort (270 teachers) will be expended before July 1, 2019, in the amount of \$1,355,000 (FY 20). After funds are disbursed the carry over for the 2019-2020 year will approximately be \$750,000.

Carryover is earmarked to pay the current cohort (270 teachers) in FY 20 for year two of the program.

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

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

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

Carryover and the \$2,103,393 in the Executive Budget is required to fund year two (FY 20) and year three (FY 21) for the current cohort of 270 teachers. No dollars are available for additional teacher awards under this program.

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

The Executive Budget recommends \$2,103,393 to the Department of Public Instruction to fund the current cohort of Teacher Shortage Loan Forgiveness in FY 20/21.

**Name:** Gail Schauer

**Agency:** North Dakota Department of Public Instruction

**Telephone:** 701-328-2755

**Date Prepared:** 03/21/2019

TSLF Program Cost - Cohort 1 (270 teachers)				
Area	# Funded	Critical Need Area Rate	Shortage Area Rate	Annual Cost
Science	39	\$6,500		\$253,500
Business & Office Technology	15	\$6,500		\$97,500
Agriculture Education	12	\$6,500		\$78,000
Technology & Engineering Education	3	\$6,500		\$19,500
Computer Science	1	\$6,500		\$6,500
Elementary Grades (PK-8)	116		\$4,500	\$522,000
Guidance Counselor PK-12	15		\$4,500	\$67,500
Special Education	19		\$4,500	\$85,500
English Language Arts	15		\$4,500	\$67,500
Social Studies	14		\$4,500	\$63,000
Family & Consumer Sciences	6		\$4,500	\$27,000
Mathematics	15		\$4,500	\$67,500
<b>TOTAL</b>	<b>270</b>			<b>\$1,355,000</b>

TSLF Budget - based on current 270	
2017-19 Appropriation	\$2,103,393
<i>FY 19 Expenses (YR1)</i>	<i>-\$1,355,000</i>
Carry-over	\$748,393
2019-21 Appropriation (Exec Budget)	\$2,103,393
Total GF + Carry-over	\$2,851,786
<i>FY 20 Expenses (YR2)</i>	<i>-\$1,355,000</i>
<i>FY 21 Expenses (YR3)</i>	<i>-\$1,355,000</i>
Carry-over	\$141,786
2021-23 Appropriation	\$2,103,393
Total GF + Carry-over	\$2,245,179
<i>FY 22 Expenses (YR4)</i>	<i>-\$1,355,000</i>
Balance	\$890,179

**FISCAL NOTE**  
**Requested by Legislative Council**  
**03/20/2019**

Amendment to: HB 1429

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

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<b>Revenues</b>			\$0			
<b>Expenditures</b>			\$2,710,000		\$1,355,000	
<b>Appropriations</b>			\$0		\$0	

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

	2017-2019 Biennium	2019-2021 Biennium	2021-2023 Biennium
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- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

HB 1429 will enact the administration of the teacher loan forgiveness program from NDUS to the NDDPI.

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

\$2,103,393 is dedicated to the teacher shortage loan forgiveness program. HB 1429 does not include an appropriation, however, the Executive Budget recommends \$2,103,293 for the Department of Public Instruction.

Funds for the current cohort (270 teachers) will be expended before July 1, 2019, in the amount of \$1,355,000 (FY 20). After funds are disbursed the carry over for the 2019-2020 year will approximately be \$750,000.

Carryover is earmarked to pay the current cohort (270 teachers) in FY 20 for year two of the program.

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

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

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

Carryover and the \$2,103,393 in the Executive Budget is required to fund year two (FY 20) and year three (FY 21) for the current cohort of 270 teachers. No dollars are available for additional teacher awards under this program.

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

The Executive Budget recommends \$2,103,393 to the Department of Public Instruction to fund the current cohort of Teacher Shortage Loan Forgiveness in FY 20/21.

**Name:** Gail Schauer

**Agency:** North Dakota Department of Public Instruction

**Telephone:** 701-328-2755

**Date Prepared:** 03/21/2019

TSLF Program Cost - Cohort 1 (270 teachers)				
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TSLF Budget - based on current 270	
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2019-21 Appropriation (Exec Budget)	\$2,103,393
Total GF + Carry-over	\$2,851,786
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Balance	\$890,179

**FISCAL NOTE**  
**Requested by Legislative Council**  
**01/31/2019**

Revised  
 Amendment to: HB 1429

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The Executive Budget recommends \$2,103,393 to the Department of Public Instruction to fund the current cohort of Teacher Shortage Loan Forgiveness in FY 20/21.

**Name:** Joe Kolosky

**Agency:** North Dakota Department of Public Instruction

**Telephone:** 701-328-2295

**Date Prepared:** 02/06/2019

TSLF Program Cost - Cohort 1 (270 teachers)				
Area	# Funded	Critical Need Area Rate	Shortage Area Rate	Annual Cost
Science	39	\$6,500		\$253,500
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**Requested by Legislative Council**  
**01/31/2019**

Amendment to: HB 1429

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<b>Revenues</b>			\$0			
<b>Expenditures</b>			\$2,853,393			
<b>Appropriations</b>			\$0			

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\$2,103,393 is dedicated to the teacher shortage loan forgiveness program. The section also limits spending to one-half of the appropriation in each year of the biennium.

Funds for the current cohort will be expended before July 1, 2019. After funds are dispensed the carry over for the 2019-2020 year will approximately be \$750,000.

The expenditures above of \$2,853,393 includes both the carry over and the \$2,103,393.

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\$2,103,393 would be appropriated to this program which is in the Executive Budget.

**Name:** Joe Kolosky

**Agency:** North Dakota Department of Public Instruction

**Telephone:** 701-328-2295

**Date Prepared:** 02/04/2019

**FISCAL NOTE**  
**Requested by Legislative Council**  
**01/14/2019**

Bill/Resolution No.: HB 1429

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

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<b>Expenditures</b>			\$0			
<b>Appropriations</b>			\$0			

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\$2,103,393 would be appropriated to this program which is in the Executive Budget.

**Name:** Joe Kolosky

**Agency:** North Dakota Department of Public Instruction

**Telephone:** 701-328-2295

**Date Prepared:** 01/18/2019

**2017 HOUSE EDUCATION**

**HB 1429**

# 2019 HOUSE STANDING COMMITTEE MINUTES

**Education Committee**  
Coteau A Room, State Capitol

HB 1429  
1/29/2019  
31722

- Subcommittee  
 Conference Committee

Committee Clerk: Bev Monroe

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

Relating to administrative authority for teacher shortage loan forgiveness program

## Minutes:

Attachment 1, 2

**Chairman Owens:** Opened the hearing on HB 1429.

**Vice Chairman Cynthia Schreiber-Beck: (See Attachment 1)**

**Chairman Owens:** Any committee questions? Others in support of HB 1429?

**Joe Kolosky, Deputy Director, NDDPI: (See Attachment 2) (4:20-5:45)**

**Chairman Owens:** Your testimony states that DPI has started a formal evaluation of the teacher shortage loan forgiveness program and says where it is led by the REL at Marzano Research. Marzano is what is currently used for evaluation of teachers and I am not that impressed by the evaluation process for teachers. I am curious how they are evaluating the program. To what extent are they evaluating the program?

**Joe Kolosky: (7:00-8:00)** Our department has partnerships with many educational research firms, associations and we often partner with these outside organizations. Marzano is mainly known for teacher evaluation but they do expand the assessment and accreditation. Marzano Research Laboratory is broken up into several regions throughout the US and they offer help to departments of public instruction through grants through the US Department of Education. I do not know how they were brought into this. I will have to check into this.

**Chairman Owens:** Any further questions? Anyone else in support of HB 1429?

**Alexis Baxley, ND School Boards Association:** We are supportive of the changes in HB 1429 and my members would like to express that they are grateful for all of the teacher shortage loan funding you would give them.

**Chairman Owens:** Any questions from the committee?

**Chairman Owens:** Any further support of HB 1429? Any opposition? Neutral testimony? Closed hearing.

# 2019 HOUSE STANDING COMMITTEE MINUTES

**Education Committee**  
Coteau A Room, State Capitol

HB 1429  
1/30/2019  
31817

- Subcommittee  
 Conference Committee

Committee Clerk: Bev Monroe

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

Relating to administrative authority for teacher shortage loan forgiveness program

## Committee Work

**Chairman Owens:** Opened the meeting on HB 1429.

**Vice Chairman Cynthia Schreiber-Beck:** **HB 1429** as presented is a placeholder as we needed to fix some of the issues with it. The money part, whether we wanted to continue the appropriation which would double and add another \$2.1M, was getting relatively expensive. We know that there is going to be a study that will be starting to look at the effectiveness of what is going to assist with teacher shortages. What this amendment is doing is that we are again at \$2.1M and those teachers eligible to receive their loan repayment dependent upon the level right now (no more added in) will receive it again next year. The change was four consecutive years because if that wasn't done they would be asking for their \$6,500 if they hadn't repaid their loan yet. That could go on quite a while. We inserted consecutive after the years which were 4 years and on page 2, line 3, subject to an appropriation because we might not get an appropriation in future sessions. There is the exemption, teacher loan forgiveness program, the unexpended amount remaining from the appropriation for the teacher loan forgiveness program as authorized, etc. is not subject to the provision of section 54-44.1-11, meaning that they get to keep those dollars. In the bill the only change was that Higher Ed wanted that the whole program moved to DPI. The outline of the program was made by DPI. All Higher Ed did was deal with a fiscal agent.

**Chairman Owens:** Any discussion or questions?

**Rep. Ron Guggisberg:** Where is the appropriation?

**Vice Chairman Cynthia Schreiber-Beck:** It's in Higher Ed. It's being debated.

**Chairman Owens:** The \$2.1M is in the Higher Ed budget right now.

**Representative Denton Zubke:** We don't have any information from this formal evaluation on the teacher forgiveness program. It's going on now?

**Vice Chairman Cynthia Schreiber-Beck:** The information we received that during the interim is that a lot of superintendents and principals were not extremely happy with this. Before, we doled out \$1,500 to teachers until the money ran out and some received it and others didn't. There was no emphasis on trying to get the teachers to come into those remote areas and critical need spots. That is why the tiered system was created. They are using it but weren't happy about having to use it this way. There weren't many solutions. We will keep it intact because we did not want to tell those teachers that became eligible that they couldn't get the next 3 years.

**Chairman Owens:** The old program was nothing but a supplemental program. It didn't do what it was set up to do. It was first come, first served.

**Rep. LaurieBeth Hager:** We are talking about the public school superintendent in line 13? Is it clear enough when we are changing from the DPI Superintendent to the public school superintendent.

**Vice Chairman Cynthia Schreiber-Beck:** Yes.

**Rep. LaurieBeth Hager:** Since the term is also used in a specific school district, I just wanted to clarify that when others are reading this they understand it is the DPI superintendent.

**Chairman Owens:** This has been in existence one biennium.

**Rep. LaurieBeth Hager:** The confusion for me is between the high school superintendent and superintendent.

**Representative Denton Zubke:** Mr. Chairman, I will move the amendments that were presented on HB 1429.

**Rep. Longmuir:** I'll second it.

**Chairman Owens:** Further discussion? Seeing none, a Voice Vote. Motion carried. What is the pleasure of the committee?

**Vice Chairman Cynthia Schreiber-Beck:** I will move for a Do Pass as Amended.

**Rep. LaurieBeth Hager:** I will second the motion.

A Roll Call Vote was taken. Yes 12, No 0, Absent 2 **Do Pass** carries. Rep. Schreiber-Beck will carry HB 1429.

DA 1/30/19

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1429

Page 1, line 2, after "program" insert "; and to provide an exemption"

Page 2, line 3, overstrike "An" and insert immediately thereafter "Subject to appropriation, an"

Page 2, line 6, after "four" insert "consecutive"

Page 2, line 10, after "four" insert "consecutive"

Page 2, line 14, after "four" insert "consecutive"

Page 2, after line 25, insert:

**"SECTION 2. EXEMPTION - TEACHER LOAN FORGIVENESS PROGRAM FUNDING.** The unexpended amount remaining from the appropriation for the teacher loan forgiveness program, as authorized in section 1 of chapter 28 of the 2017 Session Laws, is not subject to the provisions of section 54-44.1-11 at the end of the 2017-19 biennium, and may be continued into the 2019-21 biennium for the purpose of providing teacher loan forgiveness."

Renumber accordingly

Date: 1-30-19  
Roll Call Vote #: 1

2019 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1429

House Education Committee

Subcommittee

Amendment LC# or Description: 19.1048.01001

Recommendation:  Adopt Amendment  
 Do Pass     Do Not Pass     Without Committee Recommendation  
 As Amended     Rerefer to Appropriations  
 Place on Consent Calendar  
Other Actions:  Reconsider     \_\_\_\_\_

Motion Made By Rep. Zubke    Seconded By Rep. Longmuir

Representatives	Yes	No	Representatives	Yes	No
Chairman M. Owens			Rep. Guggisberg		
V. Chair. Schreiber-Beck			Rep. Hager		
Rep. Heinert					
Rep. Hoverson					
Rep. D. Johnson					
Rep. M. Johnson					
Rep. Johnston					
Rep. Longmuir					
Rep. Marschall					
Rep. Pyle					
Rep. Strinden					
Rep. Zubke					

Total (Yes) \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment VOICE VOTE - MOTION CARRIED

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

Date: 1-30-19  
Roll Call Vote #: 2

2019 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1429

House Education Committee

Subcommittee

Amendment LC# or Description: 19.1048.01001

Recommendation:  Adopt Amendment  
 Do Pass  Do Not Pass  Without Committee Recommendation  
 As Amended  Rerefer to Appropriations  
 Place on Consent Calendar  
Other Actions:  Reconsider  \_\_\_\_\_

Motion Made By Rep. Schreiber-Beck Seconded By Rep. Hager

Representatives	Yes	No	Representatives	Yes	No
Chairman M. Owens	✓		Rep. Guggisberg	✓	
V. Chair. Schreiber-Beck	✓		Rep. Hager	✓	
Rep. Heinert	A				
Rep. Hoverson					
Rep. D. Johnson	✓				
Rep. M. Johnson	✓				
Rep. Johnston	✓				
Rep. Longmuir	✓				
Rep. Marschall	✓				
Rep. Pyle	✓				
Rep. Strinden	✓				
Rep. Zubke	✓				

Total (Yes) 12 No 0

Absent 2

Floor Assignment Rep. Schreiber-Beck

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

**REPORT OF STANDING COMMITTEE**

**HB 1429: Education Committee (Rep. Owens, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (12 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HB 1429 was placed on the Sixth order on the calendar.

Page 1, line 2, after "program" insert "; and to provide an exemption"

Page 2, line 3, overstrike "An" and insert immediately thereafter "Subject to appropriation,  
an"

Page 2, line 6, after "four" insert "consecutive"

Page 2, line 10, after "four" insert "consecutive"

Page 2, line 14, after "four" insert "consecutive"

Page 2, after line 25, insert:

**"SECTION 2. EXEMPTION - TEACHER LOAN FORGIVENESS PROGRAM FUNDING.** The unexpended amount remaining from the appropriation for the teacher loan forgiveness program, as authorized in section 1 of chapter 28 of the 2017 Session Laws, is not subject to the provisions of section 54-44.1-11 at the end of the 2017-19 biennium, and may be continued into the 2019-21 biennium for the purpose of providing teacher loan forgiveness."

Renumber accordingly

**2019 SENATE EDUCATION**

**HB 1429**

# 2019 SENATE STANDING COMMITTEE MINUTES

**Education Committee**  
Sheyenne River Room, State Capitol

HB 1429  
3/11/2019  
33520 (13:27)

- Subcommittee  
 Conference Committee

Committee Clerk: Lynn Wolf
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## **Explanation or reason for introduction of bill/resolution:**

A bill relating to the administrative authority for the teacher shortage loan forgiveness program; and to provide an exemption.

## **Minutes:**

Att. #1-Schreiber-Beck; Att. #2-Schauer
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**Chairman Schaible:** Committee we will be hearing HB 1429.

**Representative Schreiber-Beck, Dist 25: See Att. #1.**

**Chairman Schaible:** There is no money to expand the program with new teachers.

**Representative Schreiber-Beck:** Correct.

**Gail Schauer, Director of the Office of School Approval and Opportunity: See Att. #2.**

**Senator Oban:** This change keeps the language in state board of higher Ed. chapter. Shouldn't it be moved to the roles of the Superintendent?

**Gail Schauer:** I wondered that myself. I don't know the ins and outs about –

**Senator Oban:** Ok, it may be something we need to discuss. Thank you.

**Chairman Schaible:** Thank you. Any other testimony in favor of HB 1429. Agency testimony? Those opposed to the bill? The teacher loan forgiveness program was set up in place during the last days of the last session. It was money that we had in an existing teacher loan forgiveness where so much money was given to each teacher. We felt that was a very inefficient way of doing it, so it was amended into the program that we have now a days, we picked high priority needs in rural areas. The questions we had in the interim was that it was hard to understand which way was working the best. There was a lot of discussion about the issue. The field wanted us to just give money and let them designate it – that wasn't the intent, the intent was to fund teachers that were willing to work in rural communities in high critical need areas and to fund that. Logistically, that seemed to be difficult to work out. It didn't seem very tough to us, but as the work was done in the interim was basically come

with a solution or we will let it ride out and not fund any new teachers. Apparently, that is where we are at and we couldn't find a working solution. It sounds simple in theory, but it didn't seem to pan out very well where we can find a working solution for this from the field, from the administrator, from the Department of Public Instruction, so what this bill does is to continue funding for the teachers that we have in this program and no additional new ones.

Senator Rust: Okay, this is the one where we went from giving every teacher a certain amount of money. Then we went to two teachers per year within a school district. Then we had critical and shortage and then we even had critical and shortage. There were three different levels and if you were in that one level, you could get about \$6,000 a year. What we are doing is that we have decided that this is not working quite like we thought and let's just thought and we've got teachers in the program and end it when the money is gone.

Chairman Schaible: I basically suggested to the field to come up with a solution that was appealing to you and the Department of Public Instruction and nobody would come up with an idea that was workable.

Senator Rust: So we will end the teacher loan forgiveness program when these teachers are through.

Chairman Schaible: Unless some other funding mechanism or ideas come through. As you can see by the testimony, there wasn't a lot of testimony to keep it going as it is.

Senator Davison: Sometimes it is okay if the programs end.

Chairman Schaible: This conversation has been going on for well over two years. There has been a lot of discussion about this, there was honest attempts to try to fix this and find a working solution to this. I am okay with it – letting it go. The other thing is how effective are these programs? You stick a lot of money to them and are they doing the purpose that we intended them to do. Sometimes, that is not showing up either.

Senator Elkin: How many dollars are we talking about.

Chairman Schaible: \$2 million.

(Mike not on) When is the ending date – when we run out of money?

Chairman Schaible: No, when those students that started in the 2019 would graduate, but it will get less every year.

Senator Elkin: So, we are still appropriating money for this?

Chairman Schaible: Yes, that was an ongoing budget – it is not an increase, it was on going – there is no new money and there was new money going into it last time. That is where the funding came for it.

Senator Elkin: And these teachers are primarily in rural settings? Right?

Chairman Schaible: They could have been – if there was money left, there was high need-

Senator Davison: Mr. Chairman, was there an amount that was left over from the program?

Chairman Schaible: That I couldn't tell you. (reading) It is the intent of the 65<sup>th</sup> Legislative Assembly that subdivision 1 of section 1 of 2017 SB 2003 included the sum of \$2.8 million and or so much as may be necessary for general funds for the purpose of providing funding for \$206,000 doctorate graduating program that was existing, \$500,000 for technology occupation student loan program that was existing, and \$2,100,000 for teacher shortage loan forgiveness program with no more than one-half of that amount extending the first year of the biennium beginning July 1<sup>st</sup>. So, just over \$1 million was allocated per year over the last two years.

Senator Rust: Up to \$6,000 a year - \$24,000 wasn't it?

Chairman Schaible: \$6,500.

Senator Elkin: So there are 270 teachers presently involved in this? Why wasn't there any more interest?

Senator Oban: They had to qualify. I am sure they would have like to get more teachers involved in this.

Chairman Schaible: Okay, committee, we will stand at ease until 3:30.

The hearing was closed.

# 2019 SENATE STANDING COMMITTEE MINUTES

**Education Committee**  
Sheyenne River Room, State Capitol

HB 1429  
3/18/2019  
33850 (8:57)

- Subcommittee  
 Conference Committee

Committee Clerk: Lynn Wolf

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

A bill relating to the administrative authority for the teacher shortage loan forgiveness program; and to provide an exemption.

## Minutes:

Att. #1-Schaible

**Chairman Schaible: See Att. #1.** I have an amendment suggested by Legislative Council that I am passing out. It came up about transferring the money. We had – page 2 line 27, we need to add the language to transfer. Without this, the money can't be transferred and we figure it is important that the money goes to where it should be. That is all this money does is give them the authority to transfer the money and what this bill does is the teacher loan forgiveness program is just paying for the people that are currently enrolled and currently on the program. It allows for that – that is what this amendment does. As far as the rest of the bill it shows that we had this issue about the money what we did was switch the current teacher loan forgiveness program we had two years ago changed into what this bill did to create priority for critical areas and rural areas. There was a lot of heart ache of the way this was handled and the implementation of the timing on certain things. For the last 18 months, it was said – fine, come with a solution on how to handle this. No solution was offered and then our recommendation was okay, we will let it expire as it and pay for the people that are in the program. That is what this bill currently does. The amendment that I offered just makes sure that they transfer the money so that we can pay those people.

**Senator Rust:** Is there any money in the budget for this program? I mean for continuing the program beyond the ones that are already in it?

**Chairman Schaible:** No.

**Senator Rust:** I mean for new teachers?

**Chairman Schaible:** Yes, this was on the House side first. There was no additional money put in to do that.

**Senator Rust:** The only money in there is to pay for the people that are currently in and when they are done, the money should be gone and the people will be gone.

**Chairman Schaible:** The program will go away and there will be no funding for additional.

**Senator Rust:** Do you know if there were any discussions about going back to what happened before which was essentially give everybody a little bit of money?

**Chairman Schaible:** That was preferred, but that was never – as far as when we had a discussion two-years ago of changing that money that was not the idea of what the incentive of the teacher loan forgiveness program was. It was everybody is out there – if we have a certain pot of money they are just going to get some – that wasn't the incentive. The incentive was to try to get more teachers in rural areas and critical need areas of teaching. That money probably gone away if we wouldn't have changed it then. I am guessing at that, but that is my perception of that. The thought I had at that time was if we are not going to spend that money recruiting and maintaining teachers to keep them, I wasn't in favor of keeping the money because it was just finding out how many we had, dividing it up and I didn't see that as a wise investment of state money.

**Senator Rust:** So then, we would have no teacher loan forgiveness program. Right?

**Chairman Schaible:** Unless some other idea comes up that is workable and a source for funding, no we would not have a teacher loan forgiveness funds.

**Senator Davison:** I am always disturbed by – the purpose was to attract and retain teachers in to rural areas – preferably, and so it is just – that is the purpose of it and to just to hand money out just randomly is – just because you got into the teaching profession, I just don't think is a good idea and it doesn't meet a goal or a practice that we are trying to obtain with the –

**Chairman Schaible:** I totally agree with that. I thought it was a worthy idea, but I also thought it was worthy to let the field figure it out. If they can't, I guess we have just got to live with it. Sometimes it is all right for a program to go away, maybe something better will come from it.

**Senator Oban:** We have also had a lot of discussions this session about whether or not loan forgiveness programs are more or less effective than scholarship programs. Maybe in the future, we need to discuss providing some scholarships for people going into the profession rather than a loan forgiveness program. But, I agree with Senator Davison that I don't think handing out a couple of hundred bucks is a good use of –

**Chairman Schaible:** That are going to be there anyway. We did carve out a pathway for teaching in our career tech and the state scholarship, so we do have those avenues being addressed. I agree if we are going to – we can't have all these programs that aren't working. We need to have programs that work – our state scholarship program works – if nothing else, put more money to that. The first thing is that we have an amendment suggested – is there any suggestions on that?

**Senator Oban:** I would move amendment 19.1048.02001 be adopted.

**Senator Davison:** Second.

**Chairman Schaible:** We have a motion and a second to adopt amendment 19.1048.02001 for HB 1429. Is there any other discussion? Seeing none, clerk take the roll.

**Roll Call vote:** 7 yeas; 0 Nays; 0 absent.

**Senator Oban:** I have a question on the bill itself even as amended. It is still leaving this language in the state board of higher ed. section Century Code. This is now a duty of the superintendent and I don't think leaving it in higher ed. is the right place for it.

**Chairman Schaible:** What page and line number are you on?

**Senator Oban:** Section one of the entire bill. It is just amending section 15-10-38 which is a State Board of Higher Ed. section of code. The duties of the superintendent are in 15.1. I meant to take this out and go get an amendment drafted and I would be happy to do that, but –

**Chairman Schaible:** Yes, if you want to do that, that is fine. Okay, committee, we will leave that open for now.

# 2019 SENATE STANDING COMMITTEE MINUTES

**Education Committee**  
Sheyenne River Room, State Capitol

HB 1429  
3/19/2019  
33908 (4:14)

- Subcommittee  
 Conference Committee

Committee Clerk: Lynn Wolf

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

A bill relating to the administrative authority for the teacher shortage loan forgiveness program; and to provide an exemption.

## **Minutes:**

Att.#1-Oban

Senator Oban presents proposed amendment 19.1048.02002 to the committee. **See Att. #1.**

**Senator Oban: I move the adoption of amendment 19.1048.02002.**

**Senator Marcellais: Second.**

**Roll Call Vote: 7 Yeas; 0 Nays; 0 Absent.**

**Amendment is adopted.**

**Senator Oban: I move HB 1429 Do Pass as Amended.**

**Senator Marcellais: Second.**

**Roll Call Vote: 7 Yeas; 0 Nays; 0 Absent.**

**Senator Oban will carry the bill.**

March 14, 2019

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1429

Page 1, line 2, remove "and"

Page 1, line 3, after "exemption" insert "; and to provide for a transfer"

Page 2, line 27, after "**FUNDING**" insert "- **TRANSFER**"

Page 2, line 31, after the period insert "The commissioner of higher education shall transfer the funding continued into the 2019-21 biennium to the superintendent of public instruction to defray the expenses of the teacher loan forgiveness program."

Re-number accordingly

March 18, 2019

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1429

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 15.1-02 of the North Dakota Century Code, relating to a teacher shortage loan forgiveness program administered by the superintendent of public instruction; to amend and reenact section 15.1-02-04 of the North Dakota Century Code, relating to the duties of the superintendent of public instruction; to repeal section 15-10-38 of the North Dakota Century Code, relating to a teacher shortage loan forgiveness program administered by the state board of higher education; and to provide an exemption.

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

**SECTION 1. AMENDMENT.** Section 15.1-02-04 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-02-04. Superintendent of public instruction - Duties.**

The superintendent of public instruction:

1. Shall supervise the provision of elementary and secondary education to the students of this state.
2. Shall supervise the establishment and maintenance of schools and provide advice and counsel regarding the welfare of the schools.
3. Shall supervise the development of course content standards.
4. Shall supervise the assessment of students.
5. Shall serve as an ex officio member of the board of university and school lands.
6. Shall keep a complete record of all official acts and appeals.
7. As appropriate, shall determine the outcome of appeals regarding education matters.
8. Shall direct school district annexation, reorganization, and dissolution and employ and compensate personnel necessary to enable the state board of public school education to carry out its powers and duties regarding school district annexation, reorganization, and dissolution.
9. Shall administer a student loan forgiveness program for individuals teaching at grade levels, in content areas, and in geographical locations identified as having a teacher shortage or critical need.

**SECTION 2.** A new section to chapter 15.1-02 of the North Dakota Century Code is created and enacted as follows:

## Loans - Teacher shortages - Loan forgiveness.

1. The superintendent of public instruction shall administer a student loan forgiveness program for individuals teaching at grade levels, in content areas, and in geographical locations identified as having a teacher shortage or critical need. The superintendent may approve loan forgiveness for no more than two teachers per year in a school district. The superintendent shall adopt rules to implement the program.
2. The superintendent annually shall identify grade levels, content areas, and geographical locations in which a teacher shortage or critical need exists.
3. To be eligible for loan forgiveness under this section, an individual:
  - a. Must have graduated from an accredited teacher preparation program and signed a contract to teach at a grade level or in a content area and in a geographical location identified by the superintendent of public instruction as having an existing teacher shortage or critical need; and
  - b. Must have an existing student loan.
4. For purposes of this section, the definitions of rural school district and remote town school district have the same meaning as the definitions under the national center for education statistics locale codes.
5. If an individual is receiving loan forgiveness under any other provision, the individual may not receive loan forgiveness under this section during the same application year.
6. Subject to appropriation, an eligible individual may receive loan forgiveness under the program as follows:
  - a. If the individual accepts one of up to five positions of critical need in a nonrural school district or nonremote town school district, the individual may receive up to three thousand dollars per year for a maximum of four consecutive years.
  - b. If the individual accepts a position in a rural school district or remote town school district with an enrollment of fewer than one thousand students, the individual may receive up to four thousand five hundred dollars per year for a maximum of four consecutive years.
  - c. If the individual accepts one of up to five positions of critical need in a rural school district or remote town school district with an enrollment of fewer than one thousand students, the individual may receive up to six thousand five hundred dollars per year for a maximum of four consecutive years.
7. The superintendent shall consider all applications under this section based on the number of unfilled school vacancies, prioritized by critical need and geographic location.
8. Upon notification the individual has completed a full year of teaching in a school district, state-supported school, or nonpublic school in this state at a grade level or in a content area and in a geographical location identified by

the superintendent as one in which a teacher shortage or critical need exists, the superintendent shall distribute funds directly to the lending institution of the individual to repay outstanding loan principal balances on behalf of eligible applicants. The superintendent shall terminate loan forgiveness payments to eligible individuals when the loan principal balance of the eligible individual is paid in full.

**SECTION 3. REPEAL.** Section 15-10-38 of the North Dakota Century Code is repealed.

**SECTION 4. EXEMPTION - TEACHER LOAN FORGIVENESS PROGRAM FUNDING.** The unexpended amount remaining from the appropriation for the teacher loan forgiveness program, as authorized in section 1 of chapter 28 of the 2017 Session Laws, is not subject to the provisions of section 54-44.1-11 at the end of the 2017-19 biennium, and may be continued into the 2019-21 biennium for the purpose of providing teacher loan forgiveness."

Renumber accordingly

March 19, 2019

SAC  
3/19  
132

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1429

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

**SECTION 1. AMENDMENT.** Section 15.1-02-04 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-02-04. Superintendent of public instruction - Duties.**

The superintendent of public instruction:

1. Shall supervise the provision of elementary and secondary education to the students of this state.
2. Shall supervise the establishment and maintenance of schools and provide advice and counsel regarding the welfare of the schools.
3. Shall supervise the development of course content standards.
4. Shall supervise the assessment of students.
5. Shall serve as an ex officio member of the board of university and school lands.
6. Shall keep a complete record of all official acts and appeals.
7. As appropriate, shall determine the outcome of appeals regarding education matters.
8. Shall direct school district annexation, reorganization, and dissolution and employ and compensate personnel necessary to enable the state board of public school education to carry out its powers and duties regarding school district annexation, reorganization, and dissolution.
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2. The superintendent annually shall identify grade levels, content areas, and geographical locations in which a teacher shortage or critical need exists.
3. To be eligible for loan forgiveness under this section, an individual:
  - a. Must have graduated from an accredited teacher preparation program and signed a contract to teach at a grade level or in a content area and in a geographical location identified by the superintendent of public instruction as having an existing teacher shortage or critical need; and
  - b. Must have an existing student loan.
4. For purposes of this section, the definitions of rural school district and remote town school district have the same meaning as the definitions under the national center for education statistics locale codes.
5. If an individual is receiving loan forgiveness under any other provision, the individual may not receive loan forgiveness under this section during the same application year.
6. Subject to appropriation, an eligible individual may receive loan forgiveness under the program as follows:
  - a. If the individual accepts one of up to five positions of critical need in a nonrural school district or nonremote town school district, the individual may receive up to three thousand dollars per year for a maximum of four consecutive years.
  - b. If the individual accepts a position in a rural school district or remote town school district with an enrollment of fewer than one thousand students, the individual may receive up to four thousand five hundred dollars per year for a maximum of four consecutive years.
  - c. If the individual accepts one of up to five positions of critical need in a rural school district or remote town school district with an enrollment of fewer than one thousand students, the individual may receive up to six thousand five hundred dollars per year for a maximum of four consecutive years.
7. The superintendent shall consider all applications under this section based on the number of unfilled school vacancies, prioritized by critical need and geographic location.
8. Upon notification the individual has completed a full year of teaching in a school district, state-supported school, or nonpublic school in this state at a grade level or in a content area and in a geographical location identified by

the superintendent as one in which a teacher shortage or critical need exists, the superintendent shall distribute funds directly to the lending institution of the individual to repay outstanding loan principal balances on behalf of eligible applicants. The superintendent shall terminate loan forgiveness payments to eligible individuals if the loan principal balance of the eligible individual is paid in full.

**SECTION 3. REPEAL.** Section 15-10-38 of the North Dakota Century Code is repealed.

**SECTION 4. TRANSFER.** The commissioner of higher education shall transfer the funding continued into the 2019-21 biennium to the superintendent of public instruction to defray the expenses of the teacher loan forgiveness program.

**SECTION 5. EXEMPTION - TEACHER LOAN FORGIVENESS PROGRAM FUNDING.** The unexpended amount remaining from the appropriation for the teacher loan forgiveness program, as authorized in section 1 of chapter 28 of the 2017 Session Laws, is not subject to the provisions of section 54-44.1-11 at the end of the 2017-19 biennium, and may be continued into the 2019-21 biennium for the purpose of providing teacher loan forgiveness."

Renumber accordingly

Date: 3-18-19  
Roll Call Vote #: 1

2019 SENATE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. HB 1429

Senate Education Committee

Subcommittee

Amendment LC# or Description: 19.1048.02001

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 Sen Oban Seconded By Sen. Davison

Senators	Yes	No	Senators	Yes	No
Chairman Schaible:	✓		Senator Marcellais:	✓	
Vice-Chairman Fors:	✓		Senator Oban:	✓	
Senator Davison	✓				
Senator Elkin:	✓				
Senator Rust:	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment \_\_\_\_\_

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

Date: 3-19-19  
Roll Call Vote #: 1

2019 SENATE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. HB 1429

Senate Education Committee

Subcommittee

Amendment LC# or Description: 19.1048.02002

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 Sen. Oban Seconded By Sen. Marcellais

Senators	Yes	No	Senators	Yes	No
Chairman Schaible:	✓		Senator Marcellais:	✓	
Vice-Chairman Fors:	✓		Senator Oban:	✓	
Senator Davison	✓				
Senator Elkin:	✓				
Senator Rust:	✓				
	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment \_\_\_\_\_

If the vote is on an amendment, briefly indicate intent:  
Amendment 19.1048.02002 is Adopted



**REPORT OF STANDING COMMITTEE**

**HB 1429, as engrossed: Education Committee (Sen. Schaible, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1429 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 create and enact a new section to chapter 15.1-02 of the North Dakota Century Code, relating to a teacher shortage loan forgiveness program administered by the superintendent of public instruction; to amend and reenact section 15.1-02-04 of the North Dakota Century Code, relating to the duties of the superintendent of public instruction; to repeal section 15-10-38 of the North Dakota Century Code, relating to a teacher shortage loan forgiveness program administered by the state board of higher education; to provide for a transfer; and to provide an exemption.

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

**SECTION 1. AMENDMENT.** Section 15.1-02-04 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-02-04. Superintendent of public instruction - Duties.**

The superintendent of public instruction:

1. Shall supervise the provision of elementary and secondary education to the students of this state.
2. Shall supervise the establishment and maintenance of schools and provide advice and counsel regarding the welfare of the schools.
3. Shall supervise the development of course content standards.
4. Shall supervise the assessment of students.
5. Shall serve as an ex officio member of the board of university and school lands.
6. Shall keep a complete record of all official acts and appeals.
7. As appropriate, shall determine the outcome of appeals regarding education matters.
8. Shall direct school district annexation, reorganization, and dissolution and employ and compensate personnel necessary to enable the state board of public school education to carry out its powers and duties regarding school district annexation, reorganization, and dissolution.
9. Shall administer a student loan forgiveness program for individuals teaching at grade levels, in content areas, and in geographical locations identified as having a teacher shortage or critical need.

**SECTION 2.** A new section to chapter 15.1-02 of the North Dakota Century Code is created and enacted as follows:

**Loans - Teacher shortages - Loan forgiveness.**

1. The superintendent of public instruction shall administer a student loan forgiveness program for individuals teaching at grade levels, in content areas, and in geographical locations identified as having a teacher shortage or critical need. The superintendent may approve loan

- forgiveness for no more than two teachers per year in a school district. The superintendent shall adopt rules to implement the program.
2. The superintendent annually shall identify grade levels, content areas, and geographical locations in which a teacher shortage or critical need exists.
  3. To be eligible for loan forgiveness under this section, an individual:
    - a. Must have graduated from an accredited teacher preparation program and signed a contract to teach at a grade level or in a content area and in a geographical location identified by the superintendent of public instruction as having an existing teacher shortage or critical need; and
    - b. Must have an existing student loan.
  4. For purposes of this section, the definitions of rural school district and remote town school district have the same meaning as the definitions under the national center for education statistics locale codes.
  5. If an individual is receiving loan forgiveness under any other provision, the individual may not receive loan forgiveness under this section during the same application year.
  6. Subject to appropriation, an eligible individual may receive loan forgiveness under the program as follows:
    - a. If the individual accepts one of up to five positions of critical need in a nonrural school district or nonremote town school district, the individual may receive up to three thousand dollars per year for a maximum of four consecutive years.
    - b. If the individual accepts a position in a rural school district or remote town school district with an enrollment of fewer than one thousand students, the individual may receive up to four thousand five hundred dollars per year for a maximum of four consecutive years.
    - c. If the individual accepts one of up to five positions of critical need in a rural school district or remote town school district with an enrollment of fewer than one thousand students, the individual may receive up to six thousand five hundred dollars per year for a maximum of four consecutive years.
  7. The superintendent shall consider all applications under this section based on the number of unfilled school vacancies, prioritized by critical need and geographic location.
  8. Upon notification the individual has completed a full year of teaching in a school district, state-supported school, or nonpublic school in this state at a grade level or in a content area and in a geographical location identified by the superintendent as one in which a teacher shortage or critical need exists, the superintendent shall distribute funds directly to the lending institution of the individual to repay outstanding loan principal balances on behalf of eligible applicants. The superintendent shall terminate loan forgiveness payments to eligible individuals if the loan principal balance of the eligible individual is paid in full.

**SECTION 3. REPEAL.** Section 15-10-38 of the North Dakota Century Code is repealed.

**SECTION 4. TRANSFER.** The commissioner of higher education shall transfer the funding continued into the 2019-21 biennium to the superintendent of public instruction to defray the expenses of the teacher loan forgiveness program.

**SECTION 5. EXEMPTION - TEACHER LOAN FORGIVENESS PROGRAM FUNDING.** The unexpended amount remaining from the appropriation for the teacher loan forgiveness program, as authorized in section 1 of chapter 28 of the 2017 Session Laws, is not subject to the provisions of section 54-44.1-11 at the end of the 2017-19 biennium, and may be continued into the 2019-21 biennium for the purpose of providing teacher loan forgiveness."

Renumber accordingly

**2019 CONFERENCE COMMITTEE**

**HB 1429**

# 2019 HOUSE CONFERENCE COMMITTEE MINUTES

**Education Committee**  
Coteau A Room, State Capitol

HB 1429  
4/5/2019  
34547

- Subcommittee  
 Conference Committee

Committee Clerk: Bev Monroe

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

A bill relating to the administrative authority for the teacher shortage loan forgiveness program

## Minutes:

**Chairman M. Owens:** Senator Schaible, can you explain the changes they made to this bill?

**Sen. D. Schaible:** The changes that were made were basically to move the control of this bill from Higher Education to Department of Public Instruction. It seemed they were doing the work already but it was an extra step so most of it was to alleviate the useless step and let DPI run it.

**Sen. E. Oban:** The bill as it came over to us moved the duty to the Superintendent but didn't move the language out of the section of Century Code dealing with Higher Education. We had to move all that language over to DPI. We felt that was the best way.

**Chairman Owens:** Any other questions?

To the Senate, we are verifying, there has been a comment about the money associated with this bill. We are verifying that. At this point, I would like to just forego the rest of the meeting. I just wanted to ask you what you changed. Do you have any questions for us? I would like to continue this in another conference committee because we need to verify the money.

# 2019 HOUSE CONFERENCE COMMITTEE MINUTES

**Education Committee**  
Coteau A Room, State Capitol

HB 1429  
4/9/2019  
34646

- Subcommittee  
 Conference Committee

Committee Clerk: Bev Monroe
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## **Explanation or reason for introduction of bill/resolution:**

A bill relating to the administrative authority for the teacher shortage loan forgiveness program

## **Minutes:**

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**Chairman Owens:** At the last meeting we had a question on funding and we got that question answered. Now a new question has popped up about funding. We are asking another question regarding the funding for this, so unless you have anything else, I will let you know as soon as we get an answer.

Closed the hearing on HB 1429.

# 2019 HOUSE CONFERENCE COMMITTEE MINUTES

**Education Committee**  
Coteau A Room, State Capitol

HB 1429  
4/22/2019  
34915

Subcommittee  
 Conference Committee

Committee Clerk: Bev Monroe
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## Explanation or reason for introduction of bill/resolution:

A bill relating to the administrative authority for the teacher shortage loan forgiveness program

## Minutes:

**Chairman Owens:** Called the meeting to order and roll call was taken. All funding questions were answered.

**Sen. Schaible:** I've got a couple concerns I would like to bring up. One of the clarifications we were looking at was how the funding worked. We have funding that goes into the next three sessions. If you have the continuation of the appropriations, there were some questions as to how that works. The other question that came up is that there is not very definitive language in there that says we are not taking on any more scholarships and we are going to honor the request commitments we made to our prior ones but are not moving forward with this. I would suggest adding a section to it to clarify that. What we have now is basically all the rules are in there but it is not funded. If we put some intent language in there that says we are not taking new applicants and are not moving forward with this program, so it is clear that people out in the field aren't waiting for this to open up and they can sign up for that.

**Chairman Owens:** In visiting with legislative management last week, they assured me it was fine the way it was. We can talk to them again for clarification.

**Sen. Schaible:** With Higher Ed in the room I think it would be better for them if they had some intent language. They say they are getting requests and would be clearer for them and their website if they had definitive language to clarify.

**Chairman Owens:** Let's look into that language. The hearing on HB 1429 is closed.

# 2019 HOUSE STANDING COMMITTEE MINUTES

**Education Committee**  
Coteau A Room, State Capitol

HB 1429  
4/23/2019  
34955

- Subcommittee  
 Conference Committee

Committee Clerk: Bev Monroe
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**Explanation or reason for introduction of bill/resolution:**

A bill relating to a teacher shortage loan forgiveness program administered by the superintendent of public instruction

**Minutes:**

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**Chairman Owens:** Opened the conference committee on HB 1429 and invite Superintendent Baesler up to explain a new development.

**Kirsten Baesler, Superintendent, Department of Public Instruction:** In consideration of the teacher recruitment/retention program that was authorized during the 2017 legislative session, it was for recruitment/retention of teachers that would teach in our critical shortage area, high need areas with first priority given to our rural and isolated school districts. The formula came through. This was an opportunity for school districts to use these dollars to recruit and what was later determined was recruit and/or retain. Originally it was going to be for recruitment and retention. As the program was implemented, the question came up and the law was specifically interpreted, it didn't say recruitment and retention, it was recruitment or retention. It didn't prohibit teachers that were already currently teaching at a rural or isolated school district, but it was used by school districts who have teachers that were currently teaching in a school district. It was used for retention purposes in order to get them to stay.

This is a program that will no longer be funded. When the commitment is done, there will be no new dollars that will be appropriated to this. No new applications will be accepted. With the school districts that applied we never had individual teachers that we made commitments to because individual teachers were never allowed to apply for this program. It was a commitment to a school district.

We have had school districts that have said to us this spring – that teacher which we originally hired has chosen to move on, but we still want to use this as a recruitment tool in order to recruit a new teacher within that same area that we have identified. My question for you is – are we continuing to honor our commitment for four years to that school district that has chosen to use it as a recruitment tool? The conundrum is that we have allowed school

districts to use it as a retention tool previously because they were allowed to use it to retain teachers that were already there, so is it fair that a district can't use it for a recruitment tool. Are we still honoring that commitment to retain teachers and use as a recruitment tool?

**Chairman Owens:** I hear the issue – if someone leaves can they still use the money?

**Kirsten Baesler:** The money is there - the applicants were the districts. Are we going to allow them to use it for a new person; same position that they applied for were granted authority to do?

**Chairman Owens:** The way the law is written, if you are brand new and you start the program now, the way it reads you are limited and it is promising four years. The reason we are continuing this is because we made that promise before. It sounds like we would be by default, extending the program. That is my opinion.

**Rep. Ron Guggisberg:** How much money are we talking about?

**Kirsten Baesler:** I don't have that information.

**Sen. Schaible:** When we looked at this program from two years ago the issue was the loan forgiveness and retention was a big part. The discussions we were having two years ago were to get new teachers in. That was the problem with the system that we had. Schools didn't like it this way because it was complicated to find a person for a highly qualified position. I'm split on it.

**Chairman Owens:** After we started it I knew a good amount was going to retention. That was a good use and DPI had to approve it regardless. It bothers me if they continue to use the money as I don't want it to artificially extend this program. The reason we are extending it is everybody hated it. We asked them to come up with a solution and they didn't, so that is why we are ending it.

**Sen. Schaible:** Your department made the rules and the way it works, so even with what the bill says now, does that prevent that?

**Kirsten Baesler:** It would not prevent that. That is the way we are interpreting it. We want to make sure we are following the intent of the legislators. I think it was \$2.1M; if we continue to honor our commitments to the districts that applied, the amount of turn back would be more at the end of this biennium because they would only use it for year one and year two rather than the years three and four amounts.

**Sen. Schaible:** What is the ballpark guess?

**Kirsten Baesler:** We have heard from three to five districts.

**Sen. Schaible:** It would be a little bit more. If we do the amendments we have, and not change anything else, you will interpret it as this. I don't care if we continue it that way as long as it goes away. The carryover is \$773,000 and then there are two more sessions to go through that. By the next session we may have to say that the carryover wouldn't be

appropriated and we would just fund the need, but for this session we are looking at a cost of \$1.329M.

**Chairman Owens:** Committee, what is your pleasure?

**Sen. Schaible:** Can we walk through amendments so we know what is in there?

**Chairman Owens:** The bill has your Senate amendments on it and the only thing we have added is page 3, paragraph 9.

**Sen. Schaible:** The amendment is Section 7; Section 8 is the effective dates where it doesn't continue.

**Chairman Owens:** We were debating whether we needed a paragraph or just an expiration section. This is the Senate version; the amendment the Senate approved with Section 8 added.

**Sen. Oban:** Section 1 is adding that responsibility to the duties of the superintendent. Section 2 is removing that responsibility effective July 1, 2023. Is that why it is on there twice? Why wouldn't there be an expiration date on it?

**Chairman Owens:** This is the Senate's amendment.

**Sen. Schaible:** We take up what we want and this is what they give us. I guess we trust our people that this is what it is doing.

**Chairman Owens:** I agree.

**Sen. Schaible:** It looks like the effective dates in Section 7 are here to run the course and then they disappear.

**Chairman Owens:** They didn't want to eliminate all the duties of the superintendent of public instruction. They are replacing that part of the code.

**Sen. Oban:** I just think that it is weird that we are doing the same thing two different ways in the same bill.

**Chairman Owens:** We just did that in SB 2265 as well.

**Sen. Schaible:** I move that the Senate recedes from its amendments and further amends.

**Sen. Oban:** Seconded it.

**Chairman Owens:** Any discussion?

A **Roll Call Vote** was taken: **Yes: 6, No: 0, Absent: 0.** Motion carried on HB 1429.

**House Carrier:** Rep. M. Owens

**Senate Carrier:** Sen. D. Schaible

Closed hearing on HB 1429.

Done  
4/23/19  
LJY

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1429

That the Senate recede from its amendments as printed on pages 1282-1284 of the House Journal and pages 1006-1009 of the Senate Journal and that Engrossed House Bill No. 1429 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 15.1-02 of the North Dakota Century Code, relating to a teacher shortage loan forgiveness program administered by the superintendent of public instruction; to amend and reenact section 15.1-02-04 of the North Dakota Century Code, relating to the duties of the superintendent of public instruction; to repeal section 15-10-38 of the North Dakota Century Code, relating to a teacher shortage loan forgiveness program administered by the state board of higher education; to provide for a transfer; to provide an exemption; to provide an effective date; and to provide an expiration date.

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

**SECTION 1. AMENDMENT.** Section 15.1-02-04 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-02-04. Superintendent of public instruction - Duties.**

The superintendent of public instruction:

1. Shall supervise the provision of elementary and secondary education to the students of this state.
2. Shall supervise the establishment and maintenance of schools and provide advice and counsel regarding the welfare of the schools.
3. Shall supervise the development of course content standards.
4. Shall supervise the assessment of students.
5. Shall serve as an ex officio member of the board of university and school lands.
6. Shall keep a complete record of all official acts and appeals.
7. As appropriate, shall determine the outcome of appeals regarding education matters.
8. Shall direct school district annexation, reorganization, and dissolution and employ and compensate personnel necessary to enable the state board of public school education to carry out its powers and duties regarding school district annexation, reorganization, and dissolution.

2024

9. Shall administer a student loan forgiveness program for individuals teaching at grade levels, in content areas, and in geographical locations identified as having a teacher shortage or critical need.

**SECTION 2. AMENDMENT.** Section 15.1-02-04 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-02-04. Superintendent of public instruction - Duties.**

The superintendent of public instruction:

1. Shall supervise the provision of elementary and secondary education to the students of this state.
2. Shall supervise the establishment and maintenance of schools and provide advice and counsel regarding the welfare of the schools.
3. Shall supervise the development of course content standards.
4. Shall supervise the assessment of students.
5. Shall serve as an ex officio member of the board of university and school lands.
6. Shall keep a complete record of all official acts and appeals.
7. As appropriate, shall determine the outcome of appeals regarding education matters.
8. Shall direct school district annexation, reorganization, and dissolution and employ and compensate personnel necessary to enable the state board of public school education to carry out its powers and duties regarding school district annexation, reorganization, and dissolution.
9. ~~Shall administer a student loan forgiveness program for individuals teaching at grade levels, in content areas, and in geographical locations identified as having a teacher shortage or critical need.~~

**SECTION 3.** A new section to chapter 15.1-02 of the North Dakota Century Code is created and enacted as follows:

**Loans - Teacher shortages - Loan forgiveness.**

1. The superintendent of public instruction shall administer a student loan forgiveness program for individuals teaching at grade levels, in content areas, and in geographical locations identified as having a teacher shortage or critical need. The superintendent may approve loan forgiveness for no more than two teachers per year in a school district. The superintendent shall adopt rules to implement the program.
2. The superintendent annually shall identify grade levels, content areas, and geographical locations in which a teacher shortage or critical need exists.
3. To be eligible for loan forgiveness under this section, an individual:

- 3984
- a. Must have graduated from an accredited teacher preparation program and signed a contract to teach at a grade level or in a content area and in a geographical location identified by the superintendent of public instruction as having an existing teacher shortage or critical need; and
  - b. Must have an existing student loan.
  4. For purposes of this section, the definitions of rural school district and remote town school district have the same meaning as the definitions under the national center for education statistics locale codes.
  5. If an individual is receiving loan forgiveness under any other provision, the individual may not receive loan forgiveness under this section during the same application year.
  6. Subject to appropriation, an eligible individual may receive loan forgiveness under the program as follows:
    - a. If the individual accepts one of up to five positions of critical need in a nonrural school district or nonremote town school district, the individual may receive up to three thousand dollars per year for a maximum of four consecutive years.
    - b. If the individual accepts a position in a rural school district or remote town school district with an enrollment of fewer than one thousand students, the individual may receive up to four thousand five hundred dollars per year for a maximum of four consecutive years.
    - c. If the individual accepts one of up to five positions of critical need in a rural school district or remote town school district with an enrollment of fewer than one thousand students, the individual may receive up to six thousand five hundred dollars per year for a maximum of four consecutive years.
  7. The superintendent shall consider all applications under this section based on the number of unfilled school vacancies, prioritized by critical need and geographic location.
  8. Upon notification the individual has completed a full year of teaching in a school district, state-supported school, or nonpublic school in this state at a grade level or in a content area and in a geographical location identified by the superintendent as one in which a teacher shortage or critical need exists, the superintendent shall distribute funds directly to the lending institution of the individual to repay outstanding loan principal balances on behalf of eligible applicants. The superintendent shall terminate loan forgiveness payments to eligible individuals if the loan principal balance of the eligible individual is paid in full.
  9. The superintendent of public instruction shall administer the program only for eligible individuals receiving teacher loan forgiveness benefits for the 2018-19 school year. The superintendent of public instruction shall provide benefits under this program to eligible individuals until the individual has received the maximum benefit under this section or has become ineligible to receive benefits under the program.

4924

**SECTION 4. REPEAL.** Section 15-10-38 of the North Dakota Century Code is repealed.

**SECTION 5. TRANSFER.** The commissioner of higher education shall transfer the funding continued into the 2019-21 biennium to the superintendent of public instruction to defray the expenses of the teacher loan forgiveness program.

**SECTION 6. EXEMPTION - TEACHER LOAN FORGIVENESS PROGRAM FUNDING.** Pursuant to provisions of section 54-44.1-11 the unexpended amount remaining from the appropriation for the teacher loan forgiveness program, as authorized in section 1 of chapter 28 of the 2017 Session Laws, at the end of the 2017-19 biennium, may be continued into the 2019-21 biennium for the purpose of providing teacher loan forgiveness.

**SECTION 7. EFFECTIVE DATE.** Section 2 of this Act becomes effective July 1, 2023.

**SECTION 8. EXPIRATION DATE.** Section 3 of this Act is effective through June 30, 2022, and after that date is ineffective."

Renumber accordingly

Date: 4/5/2019

Roll Call Vote #: \_\_\_\_\_

**2019 HOUSE CONFERENCE COMMITTEE  
ROLL CALL VOTES**

BILL/RESOLUTION NO. HB 1429 as (re) engrossed

**House Education Committee**

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

Motion Made by: \_\_\_\_\_ Seconded by: \_\_\_\_\_

Chair. Representatives	4-5	4-9	4-22	Yes	No	Senators	4-5	4-9	4-22	Yes	No
Rep. Owens	X	X	X			Sen. Schaible	X	X	X		
Rep. Heinert	X	X	X			Sen. Elkin	X	X	X		
Rep. Guggisberg	X	X	X			Sen. Oban	X	X	X		
Total Rep. Vote						Total Senate Vote					

Vote Count      Yes: \_\_\_\_\_      No: \_\_\_\_\_      Absent: \_\_\_\_\_

House Carrier \_\_\_\_\_ Senate Carrier \_\_\_\_\_

LC Number \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

**2019 HOUSE CONFERENCE COMMITTEE  
 ROLL CALL VOTES**

BILL/RESOLUTION NO. HB 1429 as (re) engrossed

House "Enter committee name" Committee

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

Motion Made by: Sen. D. Schaible Seconded by: Sen. E. Oban

Representatives	4-23		Yes	No		Senators	4-23		Yes	No
Chairman M. Owens	X		X			Sen. D. Schaible	X		X	
Rep. P. Heinert	X		X			Sen. J. Elkin	X		X	
Rep. R. Guggisberg	X		X			Sen. E. Oban	X		X	
Total Rep. Vote			3	0		Total Senate Vote			3	0

Vote Count      Yes: 6                      No: 0                      Absent: 0

House Carrier    Rep. M. Owens                      Senate Carrier    Sen. D. Schaible

LC Number    19.1048                      . .02005                      of amendment

LC Number      19.1048                      . .04000                      of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Insert LC: 19.1048.02005  
House Carrier: Owens  
Senate Carrier: Schaible

**REPORT OF CONFERENCE COMMITTEE**

**HB 1429, as engrossed:** Your conference committee (Sens. Schaible, Elkin, Oban and Reps. Owens, Heinert, Guggisberg) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1282-1284, adopt amendments as follows, and place HB 1429 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1282-1284 of the House Journal and pages 1006-1009 of the Senate Journal and that Engrossed House Bill No. 1429 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 15.1-02 of the North Dakota Century Code, relating to a teacher shortage loan forgiveness program administered by the superintendent of public instruction; to amend and reenact section 15.1-02-04 of the North Dakota Century Code, relating to the duties of the superintendent of public instruction; to repeal section 15-10-38 of the North Dakota Century Code, relating to a teacher shortage loan forgiveness program administered by the state board of higher education; to provide for a transfer; to provide an exemption; to provide an effective date; and to provide an expiration date.

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

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2. Shall supervise the establishment and maintenance of schools and provide advice and counsel regarding the welfare of the schools.
3. Shall supervise the development of course content standards.
4. Shall supervise the assessment of students.
5. Shall serve as an ex officio member of the board of university and school lands.
6. Shall keep a complete record of all official acts and appeals.
7. As appropriate, shall determine the outcome of appeals regarding education matters.
8. Shall direct school district annexation, reorganization, and dissolution and employ and compensate personnel necessary to enable the state board of public school education to carry out its powers and duties regarding school district annexation, reorganization, and dissolution.
9. Shall administer a student loan forgiveness program for individuals teaching at grade levels, in content areas, and in geographical locations identified as having a teacher shortage or critical need.

**SECTION 2. AMENDMENT.** Section 15.1-02-04 of the North Dakota Century Code is amended and reenacted as follows:

Insert LC: 19.1048.02005  
House Carrier: Owens  
Senate Carrier: Schaible

**15.1-02-04. Superintendent of public instruction - Duties.**

The superintendent of public instruction:

1. Shall supervise the provision of elementary and secondary education to the students of this state.
2. Shall supervise the establishment and maintenance of schools and provide advice and counsel regarding the welfare of the schools.
3. Shall supervise the development of course content standards.
4. Shall supervise the assessment of students.
5. Shall serve as an ex officio member of the board of university and school lands.
6. Shall keep a complete record of all official acts and appeals.
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8. Shall direct school district annexation, reorganization, and dissolution and employ and compensate personnel necessary to enable the state board of public school education to carry out its powers and duties regarding school district annexation, reorganization, and dissolution.
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2. The superintendent annually shall identify grade levels, content areas, and geographical locations in which a teacher shortage or critical need exists.
3. To be eligible for loan forgiveness under this section, an individual:
  - a. Must have graduated from an accredited teacher preparation program and signed a contract to teach at a grade level or in a content area and in a geographical location identified by the superintendent of public instruction as having an existing teacher shortage or critical need; and
  - b. Must have an existing student loan.

Insert LC: 19.1048.02005  
House Carrier: Owens  
Senate Carrier: Schaible

4. For purposes of this section, the definitions of rural school district and remote town school district have the same meaning as the definitions under the national center for education statistics locale codes.
5. If an individual is receiving loan forgiveness under any other provision, the individual may not receive loan forgiveness under this section during the same application year.
6. Subject to appropriation, an eligible individual may receive loan forgiveness under the program as follows:
  - a. If the individual accepts one of up to five positions of critical need in a nonrural school district or nonremote town school district, the individual may receive up to three thousand dollars per year for a maximum of four consecutive years.
  - b. If the individual accepts a position in a rural school district or remote town school district with an enrollment of fewer than one thousand students, the individual may receive up to four thousand five hundred dollars per year for a maximum of four consecutive years.
  - c. If the individual accepts one of up to five positions of critical need in a rural school district or remote town school district with an enrollment of fewer than one thousand students, the individual may receive up to six thousand five hundred dollars per year for a maximum of four consecutive years.
7. The superintendent shall consider all applications under this section based on the number of unfilled school vacancies, prioritized by critical need and geographic location.
8. Upon notification the individual has completed a full year of teaching in a school district, state-supported school, or nonpublic school in this state at a grade level or in a content area and in a geographical location identified by the superintendent as one in which a teacher shortage or critical need exists, the superintendent shall distribute funds directly to the lending institution of the individual to repay outstanding loan principal balances on behalf of eligible applicants. The superintendent shall terminate loan forgiveness payments to eligible individuals if the loan principal balance of the eligible individual is paid in full.
9. The superintendent of public instruction shall administer the program only for eligible individuals receiving teacher loan forgiveness benefits for the 2018-19 school year. The superintendent of public instruction shall provide benefits under this program to eligible individuals until the individual has received the maximum benefit under this section or has become ineligible to receive benefits under the program.

**SECTION 4. REPEAL.** Section 15-10-38 of the North Dakota Century Code is repealed.

**SECTION 5. TRANSFER.** The commissioner of higher education shall transfer the funding continued into the 2019-21 biennium to the superintendent of public instruction to defray the expenses of the teacher loan forgiveness program.

**SECTION 6. EXEMPTION - TEACHER LOAN FORGIVENESS PROGRAM FUNDING.** Pursuant to provisions of section 54-44.1-11 the unexpended amount remaining from the appropriation for the teacher loan forgiveness program, as authorized in section 1 of chapter 28 of the 2017 Session Laws, at the end of the

Insert LC: 19.1048.02005  
House Carrier: Owens  
Senate Carrier: Schaible

2017-19 biennium, may be continued into the 2019-21 biennium for the purpose of providing teacher loan forgiveness.

**SECTION 7. EFFECTIVE DATE.** Section 2 of this Act becomes effective July 1, 2023.

**SECTION 8. EXPIRATION DATE.** Section 3 of this Act is effective through June 30, 2022, and after that date is ineffective."

Renumber accordingly

Engrossed HB 1429 was placed on the Seventh order of business on the calendar.

**2017 TESTIMONY**

**HB 1429**

HB 1429  
1-29-19  
#1

HOUSE BILL 1429  
HOUSE EDUCATION COMMITTEE — Chairman Mark Owens  
January 29, 2019

For the record I am Cindy Schreiber-Beck, District 25 representative.

House Bill 1429 is a change to code that was designed to decrease teacher shortages through a loan forgiveness program. The teacher loan forgiveness program was rewritten last session to address critical needs in a tiered system, awarding larger sums to those teachers that were employed in positions of critical need in a rural school district or remote town school district with an enrollment of fewer than 1000 students.

The bill makes one change — the state board of higher education is replaced with the superintendent of public instruction. With this bill, the superintendent would administer the program. This change was approved by the state board of higher education and DPI.

There is concern about the rising fiscal note to accomplish the current requirements in code — as the number of teachers are added, the funds needed to provide the loan repayments continues to grow. The funding amount in 2017 was \$2.1 million — as written- with adding additional teachers, the funding amount for 2019-20 would be \$4.2 million, the funding amount in 2021-22 would be \$6.4 million, and if my math is correct, peak at \$8.6 million in 2023-24 and continue at that rate if the code remains.

Thus there may be amendments with the option of only to continue with loan forgiveness to those currently eligible for the next 3 years as required in the current bill or continue as is for 2019-20 with a sunset —then the funding would hold steady at \$4.2 million until the first eligible teachers met the 4 years of loan forgiveness then be back to 1 biennium at \$2.1 million.

I would appreciate thoughts and a lively discussion during committee work as to the possibility of amendments.

I will try to respond to any questions you may have. Thank you for your consideration of House Bill 1429.

HB 1429  
1-29-19  
#2

**TESTIMONY ON HB 1429**  
**House Education Committee**  
**1/29/19**  
**By: Joe Kolosky, Deputy Director**  
**701-328-2295**  
**North Dakota Department of Public Instruction**

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Mr. Chairman and Members of the Committee:

My name is Joe Kolosky and I am the Deputy Director of the Office of School Approval & Opportunity with the Department of Public Instruction. I am here to speak in favor of HB 1429 which grants administrative authority for the Teacher Shortage Loan Forgiveness Program to the North Dakota Department of Public Instruction from the North Dakota University System.

For the last several years, the Department of Public Instruction has worked with the University System in the administration of this program and understands what is involved. A transfer in administration authority would be a smooth and seamless transition as we have worked closely with the University System and have built a strong working relationship.

In addition, the Department of Public Instruction has started a formal evaluation of the Teacher Shortage Loan Forgiveness program. This work is led by the Regional Education Laboratory at Marzano Research. The evaluation is designed to support the Department of Public Instruction in developing processes and instruments for systematically collecting and analyzing data related to the implementation, and the evaluation of implementation, of the state's Teacher Shortage Loan Forgiveness program. The evaluation's methodology and survey questions have been created and approved by the K-12 Education Steering Committee. Data from this evaluation will be available in May 2019. I would add that the Regional Education Laboratory is not charging the department for this project.

HB 1429  
1-29-19  
#2

Chairman Owens and Members of the Committee, that concludes my prepared testimony and I will stand for any questions that you may have.

ENGROSSED HOUSE BILL 1429

Senate Education Committee – Chairman Don Schaible

March 11, 2019

HB 1429  
3-11-19  
A#-#)  
P 1 of 1

Chairman Schaible and members of the committee:

HB1429 makes changes to the teacher loan forgiveness program that was originally established by the legislature in 2001 and modified in the 65<sup>th</sup> legislative session to the teacher shortage loan forgiveness program using a tiered system. The current program was designed to assist districts to recruit and retain qualified teachers. The program provides loan forgiveness for eligible educators who graduated from an accredited teacher preparation program and complete a full year of teaching under a signed contract at grade levels, content areas and geographical locations identified as having a teacher shortage or critical need by the ND Superintendent of Public Instruction.

It was determined during the interim that the current program would be reviewed since the redesign of the program last session was a major change and administrators expressed concern. Additionally, a formal review of the effectiveness of a program of this type will be completed.

Although the administration of the teacher shortage loan forgiveness program was assigned to the state board of higher education, the Department of Public Instruction performed all duties except the accumulation of the data and payment. The board suggested the program be moved. Thus the change to cite the Superintendent of Public Instruction as the administrator (lines 8, 11, 12, 14 & 19 on page 1 and lines 16, 21, 23 & 25 on page 2).

Additional changes were made in an attempt to insure that the teachers currently eligible would receive the full award due them if they remained eligible as defined by the program and the program was funded through FY22. This means they would teach in one of categories defined on page 2, lines 5-14, for four consecutive years to receive the full award. Note that the word consecutive was added to further define the length of the program for those meeting the eligibility requirements. Additionally, "subject to appropriation" was added in line 3 on page 2.

The funding for this biennium would allow the 270 teachers in the program to continue to receive loan forgiveness in FY20 and FY21. It is the intent to fund this program through FY22 so that those teachers currently in the program would receive the loan forgiveness for the entire 4 years.

Your favorable consideration of House Bill 1429 would be appreciated. I will attempt to respond to any questions you may have.

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**TESTIMONY ON HB 1429**  
**Senate Education Committee**  
**3/11/2019**

**By: Gail Schauer, Director**  
**701-328-2755**

**North Dakota Department of Public Instruction**

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Mr. Chairman and Members of the Committee:

My name is Gail Schauer and I am the Director of the Office of School Approval & Opportunity with the Department of Public Instruction. I am here to speak in favor of HB 1429 which grants administrative authority for the teacher shortage loan forgiveness program to the Department of Public Instruction from the North Dakota University System.

For the last several years my department has worked closely with the University System in the administration of this program and we understand the details of the program. A transfer in administration authority would be smooth and seamless process as we have worked very closely with the University System and have built a strong working relationship.

Chairman Owens and Members of the Committee, that concludes my prepared testimony and I will stand for any questions that you may have.

19.1048.02001  
Title.

Prepared by the Legislative Council staff for  
Senator Schaible

March 14, 2019

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3-18-19  
AK #1  
plsf1

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1429

Page 1, line 2, remove "and"

Page 1, line 3, after "exemption" insert "; and to provide for a transfer"

Page 2, line 27, after "**FUNDING**" insert "- **TRANSFER**"

Page 2, line 31, after the period insert "The commissioner of higher education shall transfer the funding continued into the 2019-21 biennium to the superintendent of public instruction to defray the expenses of the teacher loan forgiveness program."

Renumber accordingly

March 18, 2019

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PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1429

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 15.1-02 of the North Dakota Century Code, relating to a teacher shortage loan forgiveness program administered by the superintendent of public instruction; to amend and reenact section 15.1-02-04 of the North Dakota Century Code, relating to the duties of the superintendent of public instruction; to repeal section 15-10-38 of the North Dakota Century Code, relating to a teacher shortage loan forgiveness program administered by the state board of higher education; and to provide an exemption.

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

**SECTION 1. AMENDMENT.** Section 15.1-02-04 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-02-04. Superintendent of public instruction - Duties.**

The superintendent of public instruction:

1. Shall supervise the provision of elementary and secondary education to the students of this state.
2. Shall supervise the establishment and maintenance of schools and provide advice and counsel regarding the welfare of the schools.
3. Shall supervise the development of course content standards.
4. Shall supervise the assessment of students.
5. Shall serve as an ex officio member of the board of university and school lands.
6. Shall keep a complete record of all official acts and appeals.
7. As appropriate, shall determine the outcome of appeals regarding education matters.
8. Shall direct school district annexation, reorganization, and dissolution and employ and compensate personnel necessary to enable the state board of public school education to carry out its powers and duties regarding school district annexation, reorganization, and dissolution.
9. Shall administer a student loan forgiveness program for individuals teaching at grade levels, in content areas, and in geographical locations identified as having a teacher shortage or critical need.

**SECTION 2.** A new section to chapter 15.1-02 of the North Dakota Century Code is created and enacted as follows:

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**Loans - Teacher shortages - Loan forgiveness.**

1. The superintendent of public instruction shall administer a student loan forgiveness program for individuals teaching at grade levels, in content areas, and in geographical locations identified as having a teacher shortage or critical need. The superintendent may approve loan forgiveness for no more than two teachers per year in a school district. The superintendent shall adopt rules to implement the program.
2. The superintendent annually shall identify grade levels, content areas, and geographical locations in which a teacher shortage or critical need exists.
3. To be eligible for loan forgiveness under this section, an individual:
  - a. Must have graduated from an accredited teacher preparation program and signed a contract to teach at a grade level or in a content area and in a geographical location identified by the superintendent of public instruction as having an existing teacher shortage or critical need; and
  - b. Must have an existing student loan.
4. For purposes of this section, the definitions of rural school district and remote town school district have the same meaning as the definitions under the national center for education statistics locale codes.
5. If an individual is receiving loan forgiveness under any other provision, the individual may not receive loan forgiveness under this section during the same application year.
6. Subject to appropriation, an eligible individual may receive loan forgiveness under the program as follows:
  - a. If the individual accepts one of up to five positions of critical need in a nonrural school district or nonremote town school district, the individual may receive up to three thousand dollars per year for a maximum of four consecutive years.
  - b. If the individual accepts a position in a rural school district or remote town school district with an enrollment of fewer than one thousand students, the individual may receive up to four thousand five hundred dollars per year for a maximum of four consecutive years.
  - c. If the individual accepts one of up to five positions of critical need in a rural school district or remote town school district with an enrollment of fewer than one thousand students, the individual may receive up to six thousand five hundred dollars per year for a maximum of four consecutive years.
7. The superintendent shall consider all applications under this section based on the number of unfilled school vacancies, prioritized by critical need and geographic location.
8. Upon notification the individual has completed a full year of teaching in a school district, state-supported school, or nonpublic school in this state at a grade level or in a content area and in a geographical location identified by

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the superintendent as one in which a teacher shortage or critical need exists, the superintendent shall distribute funds directly to the lending institution of the individual to repay outstanding loan principal balances on behalf of eligible applicants. The superintendent shall terminate loan forgiveness payments to eligible individuals when the loan principal balance of the eligible individual is paid in full.

**SECTION 3. REPEAL.** Section 15-10-38 of the North Dakota Century Code is repealed.

**SECTION 4. EXEMPTION - TEACHER LOAN FORGIVENESS PROGRAM FUNDING.** The unexpended amount remaining from the appropriation for the teacher loan forgiveness program, as authorized in section 1 of chapter 28 of the 2017 Session Laws, is not subject to the provisions of section 54-44.1-11 at the end of the 2017-19 biennium, and may be continued into the 2019-21 biennium for the purpose of providing teacher loan forgiveness."

Renumber accordingly