

2021 HOUSE EDUCATION

HB 1404

2021 HOUSE STANDING COMMITTEE MINUTES

Education Committee
Coteau AB Room, State Capitol

HB 1404
1/26/2021

Relating to a peace officer student loan forgiveness program

Chairman Owens opened the hearing on HB 1404 at 10:00 AM. Roll call: Reps. Owens, Schreiber-Beck, Heinert, D. Johnson, Longmuir, Marschall, Pyle, Richter, Zubke, Guggisberg and Hager were present. Reps. Hoverson, M. Johnson and Simons were absent.

Discussion Topics:

- Training budget cuts for continuing education for officers
- Fiscal Note calculation estimation
- Financial Aid program at NDUS
- Four-year program or peace office program data researched
- Career Builders Loan Program
- Retention and recruitment of officers
- Adding correctional facility staff

Rep. Steven Vetter introduced HB 1404, #3415

Donnell Preskey, ND Association of Counties testified in support

Stephanie Dassinger, Chiefs of Police of ND, ND League of Cities testified in support

Andrew Schneider, Sheriff, Grand Forks County Sheriff's Department, #3325

Tammy Dolan, ND University System, #3181

Brenda Zastoupil, Director of Financial Aid, NDUS answering questions 10:25

Additional Written testimony:

#3321

Chairman Owens Closed the hearing on HB 1404 at 10:34 AM

Bev Monroe, Committee Clerk

Vetter, Steve M.

From: Vetter, Steve M.
Sent: Tuesday, January 26, 2021 8:09 AM
To: Vetter, Steve M.

Chairman Owens and Members of the House Education Committee. I am here before you today to introduce HB 1404, a simple bill that will not only allow us to give back to our peace officers who serve our communities, but also create a more efficient recruitment, retention, and training system for our police officers.

First and foremost, these past 2 years have been especially trying on our law enforcement. Riots have broken out in Fargo, and across the nation police officers have been constantly demonized as they try and protect us. My home city, Grand Forks, lost a bright young officer to violence, and his death serves as a reminder that it can and does happen here. These officers give their all, every single day to keep us safe, and as a result we should do our best for them. Before I was born, our country decided that in the wake of World War II, after all our military veterans had given to us, they deserved a modern education and gradually the federal government has expanded education programs to law enforcement officers but not for state loans. Currently, a 4 year degree at UND costs without scholarship \$32,000, while a peace officer with a degree is only expected to make \$49,417/year (according to recent job postings in Bismarck). The average college graduate earns \$64,896/year(Bureau of Labor Statistics), so an officer with a degree sacrifices 14,000 a year and knowingly goes into a dangerous profession due to their call to service. HB 1404 seeks to rectify this disparity by providing 24,000\$ over a 10 year period against their student loans, as an additional benefit to compensate for the lower salary. While the balance sheets are still net negative for the officer, this reward for their service is morally right.

I mentioned earlier in my testimony that beyond the moral argument there existed a fiscally pragmatic one. While this bill has a fiscal note of 1.3M dollars, what you do not see is the savings expected to occur as a result of higher officer retention. Note that in the bill, the payments do not start until 1 year after they join the force to prevent gifters. It has been estimated that we lose 10% of our officers per year, due to more competitive out of state options, and we believe this bill will ensure officers stay in North Dakota. To train an officer costs 1/3rd of an FTE at \$98,834 for said FTE. This means across the entire police force, assuming the 10% arbitrage, we are training 210 officers per year, for a total of 70 FTEs, which means our training costs are 6.9M/biennium. Please note that this cost doesn't include supplies for training or other benefits such as healthcare. If you observe the fiscal note it is estimated that only 10% of all officers will use this program, but we believe the ones using the program will skew towards new officer and younger officer, meaning we will benefit from the full 10 years of their service. For every dollar we spend, we therefore save \$5.32 meaning the program breaks even in 2-3 years. In short, we get a better educated, better trained, and younger officer, solving our age and retention problem and we achieve it all for a better price. Sometimes to save money you have to spend money, and this is a classic example of previously unrealized savings due to fear of a fiscal note.

While this bill was originally intended to only be a pilot program by limiting its scope to Bank of ND loans exclusively, I would like to make the committee aware of an alternative option should they so choose to act upon it. Currently, under federal law if an individual makes the minimum payment on their student loans for 10 consecutive years, the loan is fully forgiven. It is possible, therefore that we could piggyback on this, and according to officers I have spoken to, the average minimum payment is usually around \$200/month. If we applied this as a direct credit to their loans, the federal government would pay off the remainder, giving the police officer an additional benefit valued at \$8000 if they had attended UND. This constitutes a roughly 20% federal match to the state, making our dollar go even further. I will leave it to the committee if they simply wish to advance the pilot program, and see how it affects officer retention, or if they wish to go the federal route. Please be aware that the federal route will have a larger fiscal note, however, given the massive savings we recoup on training, it is likely to still be cost efficient.

I urge the committee to recommend a DO PASS on HB 1404 and will stand for questions.

North Dakota Legislative Branch

View Requested Fiscal Note

Fiscal Notes

| Details | | | |
|----------------------------|----------------------------------|--------------------|---------------------|
| Bill Number: | HB 1404 | Amendment: | Engrossment: |
| Original: | 21.0650.02000 | In Context: | |
| Requested: | 01/18/2021 01:15 PM | | |
| Revision Requested: | | | |
| Next Hearing: | 01/26/2021 10:00 AM | | |
| Engrossment Status: | | | |
| Assigned To/Due: | Tammy Dolan, 01/22/2021 12:00 AM | | |
| Agency Comments: | | | |

Fiscal Note

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

| | 2019-2021 | | 2021-2023 | | 2023-2025 | |
|----------------|--------------|-------------|--------------|-------------|--------------|-------------|
| | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
| Revenue | | | | | | |
| Expenditures | | | \$1,323,000 | | \$1,323,000 | |
| Appropriations | | | \$1,323,000 | | \$1,323,000 | |

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

| | 2019-2021 | 2021-2023 | 2023-2025 |
|------------------|-----------|-----------|-----------|
| Counties | | | |
| Cities | | | |
| School Districts | | | |
| Townships | | | |

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

HB1404 creates a peace officer student loan forgiveness program which provide \$4,800 of student loan forgiveness payments to peace officers every year until the loan is fully paid.

2B. 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.*

To be eligible for the program, peace officers must be a resident of ND; working as a full-time peace officer in the state for at least 12 months; have successfully completed a qualifying educational program; and, have a student loan with the BND. The SBHE would administer the program and could establish other eligibility qualifications.

Qualified applicants would receive up to \$200 per month for student loans held by the BND. Applicants could not receive an amount exceeding their monthly payment. The SBHE would make payments directly to BND.

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.*

According to the Peace Officer Standards & Training Board, there are approximately 2,100 licensed peace officers working in the state. It is estimated that approximately 10% of these officers have student loans at the BND. Each qualified officer would be eligible for up to \$4,800 per biennium in loan payments, which equates to \$1,008,000 per biennium. [\$200/mo. X 24 mos. X 210 officers = \$1,008,000.] This cost estimate does not include added costs for new officers hired each year.

The bill does not cap the loan forgiveness amount that each individual could receive. Therefore, officers could receive up to \$4,800 per year until their student loans are completely paid off, if the program continues to be funded by the legislature.

The NDUS would need to develop a scholarship system to manage the program, which, based on previous project, is estimated to cost \$110,00. NDUS would

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SHERIFF ANDY SCHNEIDER

To: House Education Committee Members
From: Sheriff Andy Schneider
Date: January 26th, 2021
RE: HB 1404

Dear Education Committee Members,

My name is Andy Schneider, and I have the privilege and honor of being the Sheriff in Grand Forks County. I am providing testimony today in favor of HB 1404.

- Every law enforcement agency operates on a specific budget set by their respective City, County, or the State.
- When budget cuts are made, typically the agency training budget is the target for reduction of line items.
- Officers gain a large amount of knowledge by doing the job.
- Officers gain a substantial amount of knowledge by attending training or collegiate-level classes.
- Some officers have already received a collegiate or technical education and are working on paying back their debt.
- Some officers are interested or attempting to re-enroll in college but are unable to due to the financial burden created.
- Communities only benefit with having their law enforcement officers educated at a higher level.
 - Agencies also benefit in several areas:
 - Increased level of knowledge for potential supervisors/agency leaders
 - Increase in expediency of accurate and grammatically correct report writing
 - Saves taxpayer dollars by not paying OT for completing reports
 - Decrease in citizen complaints due to better decision making
- Enacting HB 1404 will also help with recruitment and retention in ND Law Enforcement agencies.

Thank you for considering HB 1404, and thank you for your do-pass recommendation. The citizens of North Dakota and the law enforcement officers that serve them will both be appreciative of your affirmation. I sincerely thank you for your time and consideration today. I am available at any time of day to further discuss this important bill with any and all of you.

Andy Schneider
 Sheriff
 Grand Forks County
 701-741-2269
 andrew.schneider@gfcounty.org



House Bill 1404

House Education Committee

January 26, 2021

Tammy Dolan, Vice Chancellor for Administrative Affairs

701.328.4116 | tammy.dolan@ndus.edu

Good morning Chair Owens and members of the committee. My name is Tammy Dolan, and I serve as the Vice Chancellor for Administrative Affairs for the North Dakota University System (NDUS). I am here to provide testimony as to the fiscal impact of HB1404.

HB1404 creates a new student loan forgiveness program for eligible peace officers. Eligibility requirements include being a resident of ND; working as a full-time peace officer in the state for at least 12 months; successfully completing a qualifying educational program; and having a student loan with the Bank of North Dakota (BND). The State Board of Higher Education (SBHE) would administer the program and could establish other eligibility qualifications.

Qualified applicants would receive up to \$2,400 per year, or \$200 each month, for student loans held by the BND. Applicants could not receive an amount exceeding their monthly payment. The SBHE would make payments directly to BND.

The NDUS consulted with both the Peace Officers Standards & Training Board and the BND to estimate the cost of this new program. Currently, there are about 2,100 licensed peace officers working in the state. It is estimated that approximately 10% of these officers have student loans at the BND. This estimate does not include added costs for new officers hired each year. The bill does not cap the loan forgiveness amount that each person could receive. Therefore, officers could receive up to \$4,800 per biennium until their student loans are paid in full. **Using these factors, the program would require a general fund appropriation of \$1,008,000 per biennium.**

To administer the program, the NDUS would need to develop a scholarship system which, based on previous projects, is estimated to cost \$110,000. NDUS would also need to add 1 full-time position to manage applications, process & track monthly payments, ensure timely processing of monthly payments with varying due dates and other program administrative tasks. Salary, benefits & operating expenses for this position would be about \$205,000 per biennium. The NDUS budget cannot absorb these costs. **As a result, we respectfully request an appropriation of \$315,000 and 1.00 FTE be provided for the NDUS and amended into HB1404.**

This concludes my testimony for HB1404, and I will stand for questions from the committee.

Testimony in support of:

HOUSE BILL NO. 1404: A BILL for an Act to create and enact a new section to chapter 15-10 of the North Dakota Century Code, relating to a peace officer student loan forgiveness program

Submitted by:

Anthony Hauf

135 4th St S

Willow City, ND, 58384

Dear Rep. Owens, Rep. Schreiber-Beck, and members of the House Education Committee,

I am Anthony Hauf, a Correctional Officer from Willow City, ND. My testimony is in support of HB 1404 in regards to starting a Student Loan Forgiveness program with the Bank of North Dakota. I believe that HB 1404 can help the state of North Dakota in hiring, retaining, and investing in quality law enforcement. With the passing of HB 1404 more officers with loans from Bank of North Dakota will look for law enforcement jobs in North Dakota. Officers will also be motivated to stay in their current/future law enforcement jobs if they have support to help pay their student loans. I would like to believe that with a higher retention rate North Dakota law enforcement agency will be able direct funding from new officer training to other areas that are needed.

I would like the Education Committee to consider adding "correctional facility staff" to the HB 1404. The way HB 1404 is currently written only "Peace Officers" are being considered and not "correctional facility staff". According to **NDCC 12-63-01(3)** "Peace officer" means a public servant authorized by law or by government agency or branch to enforce the law and to conduct or engage in investigations of violations of the law. While according to **NDCC 12-44.1-01(4)** "Correctional facility staff" means correctional personnel with titles such as jailer, deputy, counselor, correctional officer, or any other title, whose duties include the ongoing supervision of inmates in a correctional facility.

Myself along with other correctional facility staff is part of the criminal justice system that has to supervise 24/7, individuals that have been arrested/prosecuted. The staff maintain security by settling disputes between inmates, preventing disturbances, assaults, and escapes. The officers, while being armed/trained, are also able to transport prisoners between the correctional facility and courtrooms, medical facilities, and other destinations. Please note that some correctional facilities not only supervise city, county, and state inmates. They can also supervise federal inmates if that facility has federal contracts with agencies, such as United States Marshal Service and Bureau of Indian Affairs. Correctional facility staff with advanced training or college educations can also be utilized in the rehabilitation and counseling of offenders.

Also please put into your consideration of HB 1404 that correctional officers are also not part of **NDCC 15-10-18.5. Free tuition in North Dakota institutions of higher education for survivor of firefighter, emergency medical services personnel, or peace officer.**

Thank You for your consideration,

Anthony Hauf

2021 HOUSE STANDING COMMITTEE MINUTES

Education Committee
Coteau AB Room, State Capitol

HB 1404
2/1/2021

Relating to a peace office student loan forgiveness program

Chairman Owens called the hearing to order at 4:32 PM Roll call was taken with Reps. Owens, Schreiber-Beck, Heinert, Hoverson, D. Johnson, M. Johnson, Longmuir, Marschall, Pyle, Richter, Simons, Zubke, Guggisberg and Hager present.

Discussion Topics:

- Study is appropriate for forgiveness program

Rep Schreiber-Beck made motion to **Do Not Pass** **Rep Pyle** seconded.

Roll call vote

| Representatives | Vote |
|---------------------------------------|------|
| Representative Mark S. Owens | Y |
| Representative Cynthia Schreiber-Beck | Y |
| Representative Ron Guggisberg | Y |
| Representative LaurieBeth Hager | Y |
| Representative Pat D. Heinert | Y |
| Representative Jeff A. Hoverson | Y |
| Representative Dennis Johnson | Y |
| Representative Mary Johnson | Y |
| Representative Donald Longmuir | Y |
| Representative Andrew Marschall | Y |
| Representative Brandy Pyle | Y |
| Representative David Richter | Y |
| Representative Luke Simons | Y |
| Representative Denton Zubke | Y |

The motion passed 14-0-0

Rep. D. Johnson will be the carrier

Chairman Owens closed the hearing on HB 1404 at 4:35 PM

Bev Monroe, Committee Clerk by Marge Conley

REPORT OF STANDING COMMITTEE

HB 1404: Education Committee (Rep. Owens, Chairman) recommends **DO NOT PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1404 was placed on the Eleventh order on the calendar.