

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1249

2007 HOUSE EDUCATION

HB 1249

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1249

House Education Committee

☐ Check here for Conference Committee

Hearing Date: 17 January 2007

Recorder Job Number: 1255 and 1259

Committee Clerk Signature

Jan Prindle

Minutes: **Representative Dave Monson, District 10, introduced the bill.** The bill before you was put together quit hastily and it's a little confusing. My reasons for introducing are and the differences that I intended to have in this bill compared to the present loan forgiveness program. The one that we have now has \$1.0 per teacher in shortage areas and I intended to increase with this bill that amount of loan forgiveness to \$2.0 per year. In addition, I wanted to add a little extra incentive for teachers to stay in smaller schools of less than 5000, which is actually quite a large school. This additional \$1.0 bonus could be paid to teachers that went anywhere other than Fargo, Grand Forks, Minot or Bismarck. Those were the only school districts that would have more and be considered a large school district here. So, if a teacher were to teach in any school district in ND in a shortage area other than those four larger school districts, they could potentially have \$3.0 per year forgiven from their state loan. The other change I wanted with this bill is to make it available for five years instead of three years. I was one of the people that were on this bill last session to start this bill and I felt that we needed to do a little more. The reason I put this in is that we still have a shortage of teachers, especially in rural areas and it looks like it will continue to get worse. The \$3.0 loan forgiveness was nice, but it really wasn't enough to get us out of our shortage of teachers in the state. Another reason is that teacher salaries in ND still lag behind our neighbors. I thought this would be one way to try to keep them in ND instead of just educating here in ND, giving them a fine

education, our taxpayers paying the bill for higher ed, and then we watch them go to MN or to another state where they can get more money. The third reason for putting this in is that I understand there is a federal program of loan forgiveness for teachers in math, science and technology that is scheduled to end soon. If it not renewed there will be a teacher shortage all across the nation and the demand for our fine teachers in ND will only attract them to leave our state. By giving them more incentive to stay in ND and to consider going into the field of teaching, and especially a field that is a shortage area, I think we need to bump this up. It has a fiscal note and I haven't seen that.

Chairman Kelsch: The fiscal note is an increase of \$1.264 million.

Representative Monson: I heard in testimony on a bill in our Appropriations Committee that there were 158 teachers in the state under this present plan. If we continue with that same number, I figured it would add another \$158.0 and close to another \$158.0 if those teachers went to a smaller school. My quick calculation was that it would come to around \$300.0 per year increase over what we had already done. That's for you people to come out and perhaps it will come to the Appropriations Committee and we'll have to dig in to that too.

You have heard now the reasons for what I intended to have happen and the reasons I wanted that to happen. Since that time I've met with some people from the Bank of ND and also from the ESP Board. ESP really didn't want to be involved in this and asked if they could draft amendments to this more mirror our other program in place now. Actually it's a "hog house" and it looks like it does it what I want it to do.

Representative Hunsakor: I have a question about excluding large schools. Have you thought about how they would feel?

Representative Monson: I'm not sure they are going to think this is fair, but those four larger school districts seem to be paying their teachers way more than the rural areas in most cases.

Their salary schedules are much higher. They also don't have the problem of attracting teachers to their schools because they have universities there that maybe they have a spouse that is teaching or working jobs in those bigger communities. I feel the smaller communities really do need an extra bump. I would hope that the larger school districts would understand that and not vote against it just because they don't qualify for it. Their teachers are already getting more in most cases than those in the rest of the state.

Dan Hannenkamp, representing the NDEA, testified in favor of the bill. The NDEA is in favor of loan forgiveness programs in any way, shape or form they come in. I encourage you to support this bill.

Michel Hillman, vice chancellor for Academic and Student Affairs for the ND University System, spoke in favor of the bill. We do work closely with the Bank of ND and the ESPB, and DPI in the administration of this program. My Board hasn't officially taken a position on this but when we saw the bill see some ways that it could be streamlined in terms of the administration. We do administer the current program working closely with the other agencies in the administration of it. The main thing the amendments would do is clarify that the administration would remain with the State Board of Higher Education. We don't receive any administrative dollars to do that. We have a relatively small staff, but ESPB has an even smaller staff than we do. We do other loan programs so it's easier for us to incorporate that into the other loan programs. The changes we are proposing are consistent with the fiscal note that you received which came from our office. We also did suggest that we not be asked to monitor student loan debt levels. Students can have loans from multiple sources and it's tough for us to figure out if it's 5% or 10%. We think that gets us into trouble with the auditors to monitor the loan debt level. When we send a check to the Bank of ND to pay off a student's loan and we send them more money than the loan balance, the Bank sends us that balance

back. This would still be applied to a student's loan, but we don't know the sum of all the loans they have. We do have a proven record of administering this program. With the additional funding available we can extend this to five years out as put forward by Representative Monson.

Chairman Kelsch: I appreciate your coming forward with this amendment. I know there were questions about it fitting better with you.

Mary Wall, representing the ND Council of Educational Leaders, testified in favor of the bill. We support this legislation to allow for loan forgiveness for teachers. We think it communicates even more loudly than the present law to our students that we care that they may consider teaching as a profession and, secondly, that we care very much that they stay in the state of ND to teach. That message, based on the shortage of teachers that we anticipate, and the quality of teachers we are seeking, makes this very important legislation.

Janet Welk, with the Education Standards and Practices Board, testified in favor of the bill. The Board did discuss this bill at their meeting last week and we are not in favor of administering the program but we are in favor of the additional years and the additional dollars. We do think that will help our smaller schools. As you know most students graduate out of college with between \$20.0 and \$30.0 in loans. If they can work in ND and have \$15.0 of those loans forgiven, I think (not understandable). . . .

Chairman Kelsch: Do you like the amendment.

Welk: I do.

There was no testimony opposing the bill.

Hearing closed.

Chairman Kelsch: Let's look at HB 1249 and the amendments that were proposed Mike Hillman. What the amendments do is put the loan forgiveness program into the same process and the same section of code and the same administration as the current loan forgiveness program. The way it was submitted was a little bit muddy and administered through the ESPB and they were not happy with it. This streamlines it. I talked to Mike Hillman he said that while they weren't looking to take on extra work, they already have a process that works well so it would be easy for them to administer this as well.

Vice Chairman Meier: I move the amendment.

Representative Wall: I will **second** it.

Representative Karls: Where did you say the administration of this would go to?

Chairman Kelsch: If you look at 15-10-38 of the amendment, it says "The state board of higher education shall administer" It stays with the state board. This amendment streamlines the process, keeps it in the correct section of the code, and puts it under the university system to administer.

A voice vote was taken: Yea: 12, Nay: 0, Absent: 1 (Haas)

Representative Solberg: I move **Do Pass as Amended and Rerefer to Appropriations.**

Representative Meier: I Second.

Representative Hanson: I have a question about line 3.b.: "Must have obtained a student loan." That encourages everybody to take a loan out. Say you were a multimillion dollar farmer from Wimbleton and able to pay for your kids, they would be better off to get a loan then pay cash to go to college to get a degree.

Chairman Kelsch: That has been the law for quite some time and it may be more students did not have the wherewithal to pay for college. There are people out there that are taking

loans for their kids because their money is earning more in investments so they are keeping their money in that.

Representative Mueller: I think the intent is that we keep people in the teaching business. I think that's the priority to be looked at. That's Monson's intention and I think the bill does that.

Representative Hunsakor: As it sits right now how many content areas are identified by the Education Standards and Practices Board as teacher shortages? Most of them?

Chairman Kelsch: Most of them. But the difference in this one is it is for the more rural areas. The federal program in the math and sciences area is going away. Although there is a new initiative that Bush had moved forward in the science, technology, math and engineering areas that if you are a sophomore or junior in one of those areas and maintain a certain grade point average you can receive \$4.0 one year and \$5.0 the next. It's a program to encourage in those areas of shortage which we find globally.

Representative Mueller: One significant difference in what the bill had in it in the original form and what the "hog house" does is that there's reference to teacher preparation programs in *this state*. I don't know if I have a strong feeling one way or the other we have now gone to just *graduated from an approved teacher preparation program*.

Chairman Kelsch: I was told that where this comes in is that under the rules that were adopted by the Board of Higher Education they have to have graduated from an institution in the State of ND. It is in current rules that are set up for the loan forgiveness program.

Representative Mueller: The reference that the teacher education has to be in ND. Fine.

Representative Solberg: I call for the question.

A roll call vote was taken (Do Pass and rerefer to Appropriations) Yea: 12, Nay: 0,

Absent: 1 (Haas)

Representative Meier will carry the bill.

FISCAL NOTE

Requested by Legislative Council

03/15/2007

REVISION

Amendment to: Engrossed
HB 1249

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.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures	\$948,000		\$1,197,000		\$2,212,000	
Appropriations	\$948,000		\$1,197,000		\$2,212,000	

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

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

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).*

Increases award from current \$1,000 per year, up to five years TO the lesser of 10% of debt or \$2,000 for up to five years. Individuals who teach in a school district with 2,000 students or fewer receives an additional amount equal to the lesser of 5% of debt or \$1,000 for up to five years.

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.*

The Senate amendments to this bill do not materially change the fiscal impact as originally identified.

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.*

HB1003 includes \$948,000 for this program, which would provide a \$1,000 award per year for 158 teachers under the CURRENT provisions of the law. In order to fund the same number of teachers (158 per year) at the increased award level a total of \$1,197,000 or an additional \$249,000 in 07-09 is required; in 09-11 a total of \$2,212,000 or an increase of \$1,264,000 is required. If no additional funding is provided the number of teachers assisted would be reduced from 158 to 125 per year in 07-09.

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 is also included in the executive budget or relates to a continuing appropriation.*

Represents total general fund appropriation required to support 158 teachers per year at the increased award level, for up to five years.

Name:	Laura Glatt	Agency:	NDUS
Phone Number:	328-4116	Date Prepared:	03/15/2007

FISCAL NOTE
Requested by Legislative Council
03/14/2007

Amendment to: Engrossed
 HB 1249

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.*

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The Senate amendments to this bill do not materially change the fiscal impact as originally identified.

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Name:	Laura Glatt	Agency:	NDUS
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Phone Number: 328-4116

Date Prepared: 03/14/2007

FISCAL NOTE
Requested by Legislative Council
01/22/2007

Amendment to: HB 1249

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.*

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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.*

The January 17, 2007 amendments to this bill do not change the fiscal impact as originally identified.

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

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Represents total general fund appropriation required to support 158 teachers per year at the increased award level, for up to five years.

Name:	Laura J. Glatt	Agency:	NDUS
Phone Number:	328-4116	Date Prepared:	01/22/2007

FISCAL NOTE
Requested by Legislative Council
01/10/2007

Bill/Resolution No.: HB 1249

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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.*

Increasing the award amount per individual as described above beginning in 07-09.

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Name:	Laura Glatt	Agency:	NDUS
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Phone Number: 328-4116

Date Prepared: 01/12/2007

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1/18/07
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PROPOSED AMENDMENTS TO HOUSE BILL NO. 1249

- Page 1, line 1, remove "to create and enact a new section to chapter 15.1-13 of the North Dakota"
- Page 1, line 2, remove "Century Code, relating to loan forgiveness for teachers; and"
- Page 1, line 10, after "program" insert ", including rules establishing priority for recent graduates, the order in which applications are considered, and limitation on the number of years that an individual may receive funding"
- Page 1, line 14, overstrike "been admitted as a full-time student in a teacher preparation"
- Page 1, overstrike lines 15 and 16
- Page 1, line 17, overstrike "teacher shortage exists" and insert immediately thereafter "graduated from an approved teacher program"
- Page 1, line 19, overstrike "An individual may receive up to one thousand dollars per year and a maximum of"
- Page 1, overstrike line 20
- Page 1, line 21, overstrike "board of higher education under this section" and insert immediately thereafter "For each year of teaching which an individual completes at a grade level or in a content area identified by the superintendent of public instruction as having a teacher shortage, the board shall forward to the Bank of North Dakota, on behalf of the individual, an amount equal to the lesser of the individual's outstanding loan principal balance or two thousand dollars"
- Page 1, line 22, replace the underscored comma with ". In addition to any other payment authorized by this section, if an individual teaches in a school district that has fewer than five thousand students in average daily membership in grades one through twelve, the board shall forward to the Bank of North Dakota, on behalf of the individual, an amount equal to the lesser of the individual's outstanding loan principal or one thousand dollars for each year that the individual teaches at a grade level or in a content area identified by the superintendent of public instruction as having a teacher shortage"
- Page 1, remove line 23
- Page 1, line 24, remove "this section after the effective date of this Act"
- Page 2, line 1, overstrike "Upon notification that the individual has completed a full year of teaching in a"
- Page 2, overstrike lines 2 through 4
- Page 2, line 5, overstrike "Dakota to repay outstanding loan principal balances for eligible applicants" and insert immediately thereafter "An individual may receive funding under this program for no more than five years unless the board establishes, by rule, that the number of years of eligibility for the program is fewer than five"
- Page 2, remove lines 6 through 31

2022

Page 3, remove lines 1 and 2

Renumber accordingly

Date: 17 Jan 07
Roll Call Vote #: 1

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 1349

House Education Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken

Accept Amendments proposed by Higher Ed

Motion Made By

Meier

Seconded By

Wall

Representatives	Yes	No	Representatives	Yes	No
Chairman Kelsch			Rep Hanson		
V Chairman Meier			Rep Hunskor		
Rep Haas			Rep Mueller		
Rep Herbel			Rep Myxter		
Rep Johnson			Rep Solberg		
Rep Karls					
Rep Sukat					
Rep Wall					

Total Yes 12 No 0

Absent 1 Haas

Floor

Assignment _____

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

Program admin by Higher Ed etc
(Hog House) attacked

Date: 17 Jan 07
Roll Call Vote #: 2

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 1249

House Education Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken

No Pass as amended & refer to Approp

Motion Made By

Soldberg

Seconded By

Meier

Representatives	Yes	No	Representatives	Yes	No
Chairman Kelsch	✓		Rep Hanson	✓	
V Chairman Meier	✓		Rep Hunsakor	✓	
Rep Haas	0		Rep Mueller	✓	
Rep Herbel	✓		Rep Myxter	✓	
Rep Johnson	✓		Rep Solberg	✓	
Rep Karls	✓				
Rep Sukat	✓				
Rep Wall	✓				

Total Yes 12 No 0

Absent 1 (Haas)

Floor

Assignment

Meier

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

REPORT OF STANDING COMMITTEE

HB 1249: Education Committee (Rep. R. Kelsch, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (12 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1249 was placed on the Sixth order on the calendar.

Page 1, line 1, remove "to create and enact a new section to chapter 15.1-13 of the North Dakota"

Page 1, line 2, remove "Century Code, relating to loan forgiveness for teachers; and"

Page 1, line 10, after "program" insert "including rules establishing priority for recent graduates, the order in which applications are considered, and limitation on the number of years that an individual may receive funding"

Page 1, line 14, overstrike "been admitted as a full-time student in a teacher preparation"

Page 1, overstrike lines 15 and 16

Page 1, line 17, overstrike "teacher shortage exists" and insert immediately thereafter "graduated from an approved teacher program"

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Page 1, remove line 23

Page 1, line 24, remove "this section after the effective date of this Act"

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Page 2, line 5, overstrike "Dakota to repay outstanding loan principal balances for eligible applicants" and insert immediately thereafter "An individual may receive funding under this program for no more than five years unless the board establishes, by rule, that the number of years of eligibility for the program is fewer than five"

Page 2, remove lines 6 through 31

Page 3, remove lines 1 and 2

Renumber accordingly

2007 HOUSE APPROPRIATIONS

HB 1249

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1249

House Appropriations Committee
Education and Environment Division

☐ Check here for Conference Committee

Hearing Date: January 30, 2007

Recorder Job Number: 2223

Committee Clerk Signature

Shirley Branning

Minutes:

Chairman Wald: called the hearing on HB 1249 Loan forgiveness for teachers, to order.

Vice Chairman Monson: Described HB 1249 and the need to fund this bill to provide relief in areas where there are teacher shortages. The program has been in place and this bill is designed to increase this amount and to change the rules. The proposal is to increase the amount that teachers can receive, to \$5,000 maximum. It expands the program to \$1,197,000 and for the next biennium it would be \$2,212,000. It goes from the current \$1,000 a year up to five years or the lesser of 10% of their debt. \$2,000 for up to five years. Teachers who teach in schools of 5,000 or less students receive an additional amount equal to the lesser of 5% of their debt for five years. This is for teachers who teach in smaller schools.

Representative Hawken: The 5,000 is high because you are just kicking out the big schools. We have very few schools with less than 5,000 students.

Chairman Wald: I agree, maybe 2,000 and under.

Representative Aarsvold: By reducing that number to 2,000, would you expect a less draw on the fund?

Vice Chairman Monson: I don't know what the distribution of would be. I don't know what that would do.

Representative Klein: Establishing content areas, is this the same as everyone can come back to teach? Everything is open. Is it the same issue that we took up in employee benefits committee where they said everything is a shortage?

Vice Chairman Monson: That is already in code; believe it is done by higher ed or ESPB. This only applies those who stay in state. Right now, three years isn't long enough and \$3,000 isn't as big an incentive as it could be.

Representative Gulleason: When you are hiring and negotiating a salary, what is the difference between your beginning salary and your competition in Minnesota?

Vice Chairman Monson: The benefits are good but salaries are low. Competition with Minnesota is great, as well as with the bigger school districts in North Dakota.

Representative Aarsvold: Would a state wide salary schedule minimize some of the concerns?

Vice Chairman Monson: Maybe isolation pay would work, as in Canada. It is tough to compete with Bismarck, Jamestown, or even with the pay in the oil field.

Mike Hillman, Vice Chancellor for Academic and Student Affairs with the North Dakota University System, We are the administrators of the loan forgiveness program. When the bill was introduced it did have an upper limit of paying off 5 or 10% of the student loan as an upper limit. We work closely with the Bank of North Dakota on loan payments but we don't have access to what those amounts are.

We work closely with ESPB that has to report on the teacher shortages that has to be reported to the federal government. We have a liberal definition of teacher shortage.

Representative Hawken: There is a bill in from Representative Carlson that is a 2% loan.

Are you aware of others? Could we get a picture where we could look at all of it, scholarships and everything else?

Hillman: There are a number of bills that would affect students' financial situation. HB1003 has a request for additional aid for Indian Scholars, for example.

Chairman Wald: Addressing Legislative Council, Roxanne Woeste, How difficult would it be to pull all bills together that have somewhat of a reduction in interest, or whatever it might be?

Roxanne Woeste, Legislative Council Representative, We can put this together.

Representative Aarsvold: I believe NDEA has already done this.

Chairman Wald: How do you monitor if they are still in the state?

Hillman: Every year, teachers are asked to reapply.

Chairman Wald: How many people are we talking about?

Hillman: 158 teachers qualified for the program last year. 316 applied, and we funded 312 new and continuing applications. The largest shortage areas are special education, social studies, math, and English language arts

Nancy Sand with NDEA, supports the concept of the bill to grow the number of teachers. The concept of a state wide salary schedule is discussed and there is uncertainty of whether or not it would solve the teacher shortage problem. On the NDEA Legislative report It is likely the data exists and will get that to you.

The cost of housing is different in the communities. I talk to students about the affordability of a community.

Representative Aarsvold: In some states, such as Colorado, there is a disincentive in higher ed for students to enter the teaching profession, because of the high cost of tuition and the low salaries.

Sand: Working conditions are extremely important, community support, administration, go a long way.

Mary Wall, North Dakota Council of Educational Leaders, spoke in support of the bill. This bill says we value teachers and hope they stay in the state.

Vice Chairman Monson: There is no appropriation in this bill. If it is adopted it would have to be with the line item in 1003.

Hillman: Yes, the funding is in HB 1003.

Chairman Wald: How much money is currently in HB 1003?

Hillman: Currently \$948,000 for this program.

Vice Chairman Monson: The governor did not increase this from the previous biennium.

Peggy Wipf, Director of Financial Aid, North Dakota University System. For the teacher shortage program we are projecting we would need the \$948,000. To expand the program we need \$249,000.

Vice Chairman Monson: If this bill were to pass we would have to add \$249,000.

Hillman: Yes, otherwise it is a first-come-first serve basis. ESPB's study shows that if teachers stay for five years, they will stay longer.

Chairman Wald: Hearing no further testimony or questions this hearing is closed. The subcommittee to study this bill includes Vice Chairman Monson, Representatives Gulleason and Hawken.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1249

House Appropriations Committee
Education and Environment Division

☐ Check here for Conference Committee

Hearing Date: February 5, 2007

Recorder Job Number: 2743

Committee Clerk Signature

Minutes:

Chairman Wald called the meeting to order on HB 1249, Loan forgiveness for teachers.

Vice Chairman Monson: The bill expands the existing program, at the cost of \$249,000 and takes it from Loan Forgiveness rates of \$1,000 per year for a maximum of three years to \$2,000 per year for up to 5 years with an option for an additional \$1,000 per year for 5 years if they teach in a small school. This is already in place, if we put the \$249,000 in this time, it would fund this expansion for the next biennium. If it doesn't pass, the State Board of Higher Education (SBHE) would give out fewer loan forgiveness grants or they would give out smaller amounts. It is already in the Governor's budget in HB 1003 and has been going for a number of years.

Representative Aarsvold: Do those dollars come from student loan repayment?

Roxanne Woeste, Legislative Counsel: It comes from the general fund.

Vice Chairman Monson moved Do Pass to HB 1249. **Representative Gulleason** seconded the motion. The Do Pass motion carried by a roll call vote of 7 yes, 0 no, 0 absent. **Vice Chairman Monson** will be the carrier of the bill.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1249

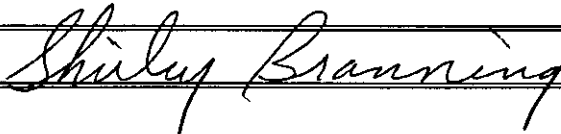
House Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: February 8, 2007

Recorder Job Number: 3160

Committee Clerk Signature



Minutes:

Chm. Svedgen called the meeting to order to take up Engrossed House Bill 1249, a bill relating to loan forgiveness for teachers by calling on **Rep. David Monson**, District 10.

Rep. Monson reviewed the bill as one to expand a program that is already going as an incentive to try to keep teachers in North Dakota. 158 teachers have applied for and received the awards. HB 1249 doesn't have any money in it, the money is in HB 1003 and in the amendments to HB 1003 to the tune of \$149,000.

The Fiscal Note shows the general fund of \$948,000 for Fiscal Year 05-07. If this bill passes and no money were put in to it, the number of awards would drop to 125. That is not the intention. The money put into this is taken out of unspent 2005-07 general fund appropriations. It was amended by the House Education Committee.

Rep. Monson moved a Do Pass on Engrossed HB 1249. Rep. Nelson seconded the motion.

Chm. Svedjen: The bill expands it from 3 to 5 years?

Rep. Monson: Yes. It is loan forgiveness for teachers that come out colleges and stay in North Dakota in a shortage area. Almost every teacher is included in my area.

Rep. Skarphol: The new money that needs to be invested is \$249,000? Over and above the governor's budget?

Rep. Monson: Yes, in this biennium it would be an additional \$249,000 over and above the governor's budget.

The Do Pass motion carried by a roll call vote of 23 yeas, 0 no and 1 absent and not voting. Rep. Lisa Meier will be the carrier of the bill.

Date: February 5, 2007

Roll Call Vote #:

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. *HB 1249*

House Appropriations Education and Environment Division

Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken

Do pass

Motion Made By

Rep. monsoon

Seconded By

Rep. Sullerson

[illegible]

Total (Yes) 7 No 0

Absent 0

Floor Assignment Rep. Monson

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

Date: 2/8/07
Roll Call Vote #: 1

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1249

House Appropriations Full Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken No Pass as expressed

Motion Made By Monson Seconded By Nelson

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan	✓				
Vice Chairman Kempenich	✓				
Representative Wald	✓		Representative Aarsvold	✓	
Representative Monson	✓		Representative Gulleson	✓	
Representative Hawken	✓				
Representative Klein	✓				
Representative Martinson	✓				
Representative Carlson	✓		Representative Glassheim	✓	
Representative Carlisle	✓		Representative Kroeber	✓	
Representative Skarphol	✓		Representative Williams	✓	
Representative Thoreson	✓				
Representative Pollert	✓		Representative Ekstrom	✓	
Representative Bellew	✓		Representative Kerzman	✓	
Representative Kreidt	✓		Representative Metcalf	✓	
Representative Nelson	✓				
Representative Wieland	✓				

Total (Yes) 23 No 0

Absent 1

Floor Assignment L. Meier

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

REPORT OF STANDING COMMITTEE (410)
February 8, 2007 7:51 p.m.

Module No: HR-27-2618
Carrier: L. Meler
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1249, as engrossed: Appropriations Committee (Rep. Svedjan, Chairman)
recommends DO PASS (23 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING).
Engrossed HB 1249 was placed on the Eleventh order on the calendar.

2007 SENATE EDUCATION

HB 1249

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1249

Senate Education Committee

☐ Check here for Conference Committee

Hearing Date: March 6, 2007

Recorder Job Number: 4442

Committee Clerk Signature

Minutes:

Chairman Freborg opened the hearing on HB 1249, a bill relating to loan forgiveness for teachers. All members were present.

Representative Monson testified in favor of the bill. (Written testimony attached)

Senator Gary Lee asked if he could quantify the teacher shortages.

Representative Monson said Department of Public Instruction has a list of the area shortages.

Most high schools have shortages in all fields except physical education. Music, math, science, counselors, all are shortage areas.

Senator Gary Lee asked how many positions are unfilled?

Representative Monson said he is not sure. It is getting harder and harder to find teachers.

The list is determined by the number of positions that districts get filled. He can find the answer.

Senator Flakoll asked if the rural areas might be having trouble hiring teachers because of the small salary being offered or because there is no bank to deposit the check or store to spend the money in the small town.

Representative Monson said a lot of them are fairly large cities, Williston, Valley City and Jamestown would be considered smaller schools by this definition. Only Fargo, West Fargo,

Grand Forks, Minot and Bismarck would be excluded. Even his small town of 200, which doesn't have a school anymore, has a bank.

Senator Flakoll said he is confused by the 5000 language. Teachers in some of the communities he referenced are paid notably more than, for example, someone in Bismarck. There is a fair amount of disparity in teacher salary across the state. Valley City historically has paid more than Bismarck.

Representative Monson said in Fargo and Grand Forks, with a university, they have no problem attracting people. Sometimes the more rural areas, including Jamestown and Valley City, aren't quite as desirable because they don't have an many arts or other events. It is not always just a matter of money, it's a matter of isolation.

Senator Flakoll asked if Mapleton and Kindred would qualify but West Fargo and Fargo would not?

Representative Monson said the teachers in Mapleton and Kindred would qualify for up to \$3000 per year for five years. Those in Fargo and West Fargo would qualify for up to \$2000 per year for five years; they would not qualify for the bonus.

Senator Flakoll asked if the teacher shortage is a problem in Fargo?

Representative Monson said yes, we are facing teacher shortages, especially in math and science in grades 9 – 12. It will get worse as many teachers are getting ready to retire. If we can keep them for five years, they will make North Dakota their home. We need to reward them for being here. The existing program is not enough at \$1000 per year to keep them here. Edinburg is 70 miles from Grand Forks.. Grand Forks salaries are superior to Edinburg. \$3000 per year may be enough to get them to try Edinburg.

Senator Flakoll asked if they would have to declare this as income?

Representative Monson said yes.

Senator Bakke asked about a North Dakota kid that is a teacher and wants to come back.

Would they be qualified for this program?

Representative Monson said they would not qualify. That would expand the program but raise the price tag.

Mary Wahl, North Dakota Council of Educational Leaders, testified in favor of the bill. When she reviewed the TFFR report the other day, there are many teachers who retire and are rehired, Fargo has 10. Why are they rehiring retired teachers? Could it be because of shortages? Shortages will only increase as we increase the requirements in science and math. We have acknowledged the need by passing a bill that allows school districts to pay off the schedule. This bill says in a small but important way that we value teachers.

Gloria Lokken, NDEA, testified in favor of the bill. It expands a program they hope will help with recruitment and retention. This may encourage students to become teachers.

Michel Hillman, North Dakota University System testified in favor of the bill. He is testifying as the administrator for the current program. They would be very pleased to administer the program. They work closely with ESPB, Career and Technology Education and Department of Public Instruction to identify shortage areas. With the loan forgiveness program, the funds are sent to the Bank of North Dakota . If the teacher does not have a student loan balance, the funds are returned to the program. ESPB data shows the first five years are critical to keep a teacher in the field.

Senator Bakke said this bill does not prohibit past graduates if there is money left.

Dr. Hillman said it does not exclude teachers who are not recent graduates if there are funds left.

Senator Bakke asked how many people take advantage of these programs?

Dr. Hillman distributed a handout on the current program (attached). He said 312 teachers applied for and received funds. They could add 158 more if the funding goes up. The fiscal note reflects that.

Senator Bakke asked if they are only in shortage areas?

Dr. Hillman said it changes every year. They work with Department of Public Instruction on the shortage areas. The only two areas that are not shortage areas this year are elementary and physical education. This will be a better recruiting tool with more money in the program, it will be better known.

Senator Flakoll asked about the fiscal note, are the 312 duplicated?

Dr. Hillman said they are 312 individual teachers. 158 is the estimated number that would qualify next year based on the number from last year. The \$1000 program is the only experience they have. They have no basis to extrapolate those interested in the \$2000 program.

Janet Welk, ESPB, testified in favor of the bill. There was a question about critical shortage areas in our more urban communities, Fargo and Grand Forks. The board issues what they call an alternate access license for those people who are not teachers but have a bachelors degree in the content area. Both Grand Forks and Fargo have teachers that are licensed under that license because they were not able to find regularly licensed or prepared teachers. They have to wait until August 1 until they issue that license and the number is growing each year. That number has to be reported to the feds. Those people who are not regularly prepared teachers have three years to become prepared teachers under no child left behind.

Senator Flakoll asked how many unfilled positions there have been in the last year or two.

Ms. Welk said in 04-05 there were 70, in 05-06, there were about 55, she doesn't yet have the numbers for this year.

Senator Gary Lee asked how many newly licensed teachers are coming on board each year.

Ms. Welk said they license about 700 new teachers each year, 350 are elementary ed. It will be interesting to watch that number in elementary education now that the bar has been raised.

Senator Gary Lee asked what is the retirement number going out?

Ms. Welk said the last she talked to TFFR, there are some who are eligible but don't retire.

There are those that actually retire. Within the last three years, the retirement number has gone up 100. It was consistent the last 7 years at 250, the last 2 years it has been up to 350.

It will climb drastically in the next five years.

Senator Gary Lee asked how many are eligible but don't retire or retire and come back to teach?

Ms. Welk said about 65 come back to work part time, there are 9 retired teachers working full time under the critical shortages area.

Senator Bakke asked of the 700 new licensees, what percentage stay in North Dakota and teach?

Ms. Welk said she doesn't have that number.

Dr. Hillman said the FINDET report has it and the committee may have a copy. As he recalls, 1 year after graduation, 60% of our teacher education graduates are in the state and employed in teaching. Some others may be working in child care or not working as a teacher.

Chairman Freborg closed the hearing on HB 1249.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1249

Senate Education Committee

☐ Check here for Conference Committee

Hearing Date: March 7, 2007

Recorder Job Number: 4549

Committee Clerk Signature

Minutes:

Chairman Freborg opened the discussion on HB 1249. All members were present.

Senator Flakoll distributed an amendment that changes the threshold from 5000 students to 2000 students on page 2 line 7.

Senator Flakoll moved the amendment to change the threshold from 5000 students to 2000 students on page 2 line 7, seconded by Senator Taylor.

Senator Bakke asked Senator Flakoll to explain why he is recommending the amendment.

Senator Flakoll said if the intention is to target districts where it is harder to recruit and retain teachers, this would sharpen the focus. There are districts of various sizes with varying pay scales, one of the highest paying districts is small but has local wealth. This is about more than compensation, it is also a lifestyle issue.

Senator Taylor if he knows how this will affect the fiscal note.

Senator Flakoll said no.

Senator Taylor said this does not eliminate very many schools, Williston, Mandan, Jamestown and Dickinson.

Senator Bakke said several of the schools just mentioned are just slightly over 2000.

The motion passed 4 – 1.

Senator Flakoll said yesterday he received an email from ESPB with a list of the openings but he was unable to open and print it. If anyone wants to see it before voting on the bill, he thinks he can get a copy.

Senator Bakke said it is not necessary to see it, the only types of positions that are not hard to fill are elementary and physical education.

Senator Bakke moved a Do Pass As Amended and Rerefer to Appropriations on HB 1249, seconded by Senator Taylor.

The motion failed 2-3.

Senator Flakoll moved a Do Not Pass As Amended on HB 1249, seconded by Senator Gary Lee.

The motion passed 3 – 2. Senator Flakoll will carry the bill.


Proposed amendment to Engrossed HB 1249

Page 2, line 7, replace "five" with "two"

Sen Flakoll

70473.0203
Title.0300

Adopted by the Education Committee
March 7, 2007


3-7-7

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1249

Page 2, line 7, replace "five" with "two"

Renumber accordingly

Roll Call Vote #:

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1249

Senate Education Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Flakoll Amendment

Motion Made By SK Seconded By ST

[illegible]

Total Yes 4 No 1

Absent 0

Floor Assignment

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

pg 2 line 7
replace 5

Date: 3/7/07
Roll Call Vote #: 2

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1249

Senate Education Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken On Pass As Amended and Rerefer to Appropriates

Motion Made By Sen Bakke Seconded By Sen Taylor

[illegible]

Total Yes 2 No 3

Absent 0

Floor Assignment

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

Laurel

Date: 3/7/07
Roll Call Vote #: 3

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1249

Senate Education Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Not Pass As Amended

Motion Made By Sen. Flakoll Seconded By Sen. Lee

Senators	Yes	No	Senators	Yes	No
Senator Freborg	✓		Senator Taylor		✓
Senator Flakoll	✓		Senator Bakke		✓
Senator Gary Lee	✓				

Total Yes 3 No 2

Absent _____

Floor Assignment Sen. Flakoll

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

REPORT OF STANDING COMMITTEE

HB 1249, as engrossed: Education Committee (Sen. Freborg, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO NOT PASS (3 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1249 was placed on the Sixth order on the calendar.

Page 2, line 7, replace "five" with "two"

Renumber accordingly

2007 TESTIMONY

HB 1249

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1249

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact section 15-10-38 of the North Dakota Century code, relating to loan forgiveness for teachers.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 15-10-38 of the North Dakota Century Code is amended and reenacted as follows:

15-10-38. Loans - Teacher shortages - Loan forgiveness.

1. The state board of higher education shall administer a student loan forgiveness program for individuals teaching at grade levels or in content areas identified as having a teacher shortage. The board shall adopt rules to implement the program, including rules establishing priority for recent graduates, order in which applications are considered and limitation on number of years an individual may receive funding.
2. The superintendent of public instruction shall annually identify the grade levels and content areas in which a teacher shortage exists.
3. To be eligible for loan forgiveness under this section, an individual:
 - a. ~~Must have been admitted as a full-time student in a teacher preparation program, with the declared intention to teach at a grade level or in a content area identified by the superintendent of public instruction as one in which a teacher shortage exists~~ graduated from an approved teacher preparation program; and
 - b. Must have obtained a student loan.
4. ~~An individual may receive up to one thousand dollars per year and a maximum of five thousand dollars, or a lesser amount established by rule adopted by the state board of higher education under this section~~ For each year of teaching that an individual completes at a grade level or in a content area identified by the superintendent of public instruction as having a teacher shortage, the board shall forward to the bank of North Dakota, on behalf of the individual, an amount equal to the lesser of the individual's outstanding loan principal balance or two thousand dollars.
5. The board shall consider all applications under this section in chronological order. In addition to any other payment authorized by this section, if an individual teaches in a school district having fewer than five thousand students in average daily membership in grades one through twelve, for each year that the individual teaches at a grade level or in a content area identified by the superintendent of public instruction as having a teacher shortage, the board shall forward to the bank of North Dakota, on behalf of the individual, an amount equal to the lesser of the individual's outstanding loan principal balance or one thousand dollars.
6. ~~Upon notification that the individual has completed a full year of teaching in a school district or nonpublic school in this state at a grade level or in a content area identified by the superintendent of public instruction as one in which a teacher shortage exists, the board shall distribute funds directly to the Bank of North Dakota to repay outstanding loan principal balances for eligible applicants~~ An individual may receive funding under this program for no more than five years or for fewer years as established under state board of higher education rule.

Renumber accordingly

W:\HB1249.01.16.07 amendment.doc

Testimony on HB1249

Rep. David Monson, Dist. 10

Chairman Freborg and members of the Senate Education Committee, for the record I am Rep. David Monson of District 10 in northeastern ND.

This bill expands a loan forgiveness program that was put in place a couple sessions ago. The present program rewards college graduates who go into teaching fields where there is a shortage of teachers if they stay in ND by forgiving a portion of their loans up to \$1,000 per year for up to three years. This has helped to get more people to look at becoming teachers in shortage areas and to stay in the state, but it is not enough incentive at this time to keep up with the demand for more teachers. Neither is it enough incentive to keep ND graduates in the state after they graduate when they compare teacher salaries in ND to those in MN or other states where teacher salaries are much higher. Despite this program meeting with some success, we still see teacher shortages in many fields, mainly at the high school level, and it is likely to get worse as more of our present teachers reach retirement age. Even with the large amount of money in SB2200 for K-12 schools, I don't believe teacher salaries in ND will compete with MN. This expanded loan forgiveness program will allow up to \$2,000 per year in loan forgiveness to all new teachers in shortage fields who stay in ND and teach in any ND school. It would further allow an additional amount of up to \$1,000 if the teacher elects to take a job in a rural or smaller school. Actually, all but 5 cities in ND would be included in this category. These are the schools that are most likely to have lower salary schedules and need help attracting teachers to their schools.

In summary, this bill expands the program from three years to five years, and it expands the yearly amount from a maximum of \$1,000 per year to \$2,000 per year, and it provides a bonus of up to \$1,000 per year if the teacher chooses to teach in a district of under 5,000 students. I believe this is an amount large enough to help slow the rush of our ND college graduates (new teachers) out of our state to states which pay higher salaries. It rewards those who decide to stay and work in ND instead of those who take our scholarship money or incentives up front to come to ND for their education and then leave after we educate them. It provides flexibility to the board of higher education to administer this program, so that these above numbers are maximums. If the number of applicants exceeds the money, then the board can reduce these maximums or reduce the number of recipients. The fiscal note on this bill is \$249,000 this biennium and grows to \$1,000,015 next biennium if we have the money and choose to continue this expanded program next biennium.

Access - General

July 2006

Teacher Shortage Loan Forgiveness Program

The 2001 North Dakota Legislature appropriated \$250,000 to the North Dakota University System (NDUS) for the purpose of administering a student loan forgiveness program. The intent of this program is to reduce student loan indebtedness for teaching in North Dakota at grade levels and/or in content areas identified by the Department of Public Instruction as having a teacher shortage.

Funding recipients are eligible to receive \$1,000 in loan forgiveness for each year they teach in a teacher-shortage area, up to a maximum of three years or \$3,000. The Bank of North Dakota is responsible for applying and/or forwarding loan forgiveness payments for funded recipients.

- For academic year 2005-06, a total of 316 applications were received. Of the 316 applicants, 312 new and continuing applicants were funded.
- The average student loan indebtedness of funded applicants, as reported on their applications, was \$13,462.
- A breakdown of funded 2005-06 applicants by defined shortage areas follows:

Defined Shortage Areas of Funded Applicants for 2005-06	# of Applicants Funded
Art	10
Computer Education	11
English Language Arts/English as a Second Language	47
Family and Consumer Sciences	6
Health	11
Languages/Native American Languages	11
Mathematics	41
Music	17
Science	38
Social Studies	46
Special Education Programming	66
Technology Education - Industrial Arts	8
TOTAL	312

FOR MORE INFORMATION CONTACT:

Peggy Wipf, Director of Financial Aid and Federal Relations Coordinator
701.328.4114 Peggy.Wipf@ndus.nodak.edu

www.ndus.nodak.edu

Section 8 – Page 7

M. Hillman 1249