

# MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

14418

2001 HOUSE EDUCATION

HB 1418

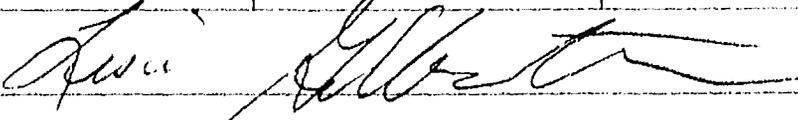
2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1418

House Education Committee

Conference Committee

Hearing Date 2-7-01

Tape Number	Side A	Side B	Meter #
1	xx		50-1870
Committee Clerk Signature 			

Minutes: Chair Kelsch opened the hearing on HB1418 relating to student loan reductions; and to provide an appropriation.

Rep. Disrud, Dist. 21 : testified in support of HB1418. This is an important concept. This is to encourage ND graduates to stay in ND. We have a concern over the teacher shortage in ND. We have too much outward migration. We in ND have an excellent work ethic and excellent education program. Why wouldn't other states come after our graduates. They are top notch. I hope this bill will help keep graduates here.

Rep. Herbel : (240) here to support HB1418. This bill will encourage young people to go into education and stay in the state. Once we can get people to start teaching in ND, they generally stay because they like the quality of life and the people. Once teachers leave, they tend not to come back. Other states are paying bonuses to attract our teachers, and some pay off some of their loans. This bill will help.

Max Laird, Pres. NDEA : (427) in support of bill. When surveying prospective teachers, the second most listed comment is they would like some form of student loan forgiveness. The first comment was good pay.

Rep. Hunskor : (679) Is there any thought that students who qualify for a loan and receive it, then get their degree, can then be expected to teach in ND?

Max : I don't believe that is specifically identified in this bill. That is one of the methods that has been discussed.

Rep. Nelson : (750) Have you ever done any studies as far as when a graduate goes into education and begins to teach, and how long they teach before they look for a career out side of education?. Is there any documentation?

Max : Dean Harris of UND did a study for a few years concerning new teachers. This research confirmed the national research. If we are able to retain a teacher for five years in the profession, they will keep that as a career. One, two, and three years are the key years that determine if they stay in teaching. Years 4 and 5 are called the finishing years, where you refine your skills and techniques. They may move horizontally, but they will stay in education.

Rep. Nelson : (840) Is this important enough that maybe we should take this fund out of the teachers compensation package, if we can't find funding for this?

Max : I get asked that almost everyday. I believe there are other vehicles. We shouldn't be talking about that at this point.

Janet Welk, Education Standards and Practices Board : (970) here in support of HB1418. I get many calls each week from students in other states asking if ND has this type of opportunity. I have to tell them, no. We need this concept in place. Elementary education is the only area that

there is no shortage. We have a unique situation in ND. 50% of us will retire within 10 years. We will need 4,000 new teachers in ND. We need to start recruiting and retain them in ND.

Rep. Mueller : (1145) Do you think we should have those specific areas of shortage in the bill?

Janet : Actually, the broader we leave it, may be best. But, if you think we need to specify, then do it.

Rep. Hunsakor : Was there any distinction between resident and nonresident qualifying. We are giving nonresidence the same option?

Janet : What is the intent of the bill. Is it to keep ND teachers in ND, or to provide teachers from all over. You need to decide.

Bev Nielson, ND School Board Assoc. : (1335) in support of this bill. We, too, want to keep this concept alive. This is a good concept for recruiting. I read the bill that you must be and stay in a ND school to qualify for the annual loan forgiveness.

Rep. Hunsakor : Don't you think that we need to address that teachers from other states need to remain, or what will make them not leave after they get the forgiveness?

Bev : We aren't paying upfront. They need to be employed in ND. Each year they are teaching they are forgiven \$2,000. If they are not teaching the next year, they will not get the loan reduction.

Richard Ott, ND Council of Education Leaders : in support of HB1418. This provides kind of a tool chest. This one also deals with retention, which is good. I would not be opposed to including that a person needs to stay in ND x number of years.

Chair Kelsch : Any more testimony for or against? Hearing none, we are closed.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1418a

House Education Committee

Conference Committee

Hearing Date 02-13-01

Type Number	Side A	Side B	Meter #
TAPE 1		8	2476 10
Committee Clerk Signature <i>Juan Ochoa</i>			

Minutes: Chairman Kelsch: we will take up HB 1418.

Rep Brusegaard: I would move a DO NOT PASS on HB 1418.

Rep Meier: Second.

Chairman Kelsch: Committee discussion, hearing none the clerk will call the roll on a DO NOT PASS motion on HB 1418. The motion passes with a vote of 15 YES, 0 NO, 0 ABSENT. Carrier Rep Hanson.

**FISCAL NOTE**  
 Requested by Legislative Council  
 01/24/2001

Bill/Resolution No.: HB 1418

Amendment to:

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

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>						
<b>Expenditures</b>			\$2,068,000			
<b>Appropriations</b>			\$2,068,000			

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

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

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

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

The legislation contains an appropriation of \$2 million for the biennium. Are we to assume that this is \$1 million each year? Or, do we satisfy all requests until the monies are exhausted, even if it means more money is available in one year than the other?

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

What happens if there is a temporary cessation of teaching due to medical reasons, military duty or a return to school for continuing education? Does the borrower lose his eligibility for these benefits? Or, should we allow for some sort of deferment similar to the Federal Family Education Loan Program (FFELP) offerings.

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

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

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

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

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.*

n/a

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.*

Expenditures for the Bank of North Dakota to implement this program in the remainder of the 1999-2001 biennium include salaries and wages for a portion of 2001 to implement the program. These expenditures have not been included in any appropriation for the Bank of North Dakota.

Expenditures for the 2001-2003 biennium include: .75 FTE Account Tech II; lease of personal computer equipment, postage, telephone, etc.

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

There is no appropriation of funds for the initial planning and implementation of the program.

None of the expenditures for the next biennium have been included in the appropriations request for the Bank of North Dakota; therefore, the funding has been requested under the general fund column. Funding of the actual payments, as included under HB 1418, has been included in the general fund column.

<b>Name:</b>	Al Nosbusch	<b>Agency:</b>	Bank of North Dakota
<b>Phone Number:</b>	328-5742	<b>Date Prepared:</b>	01/30/2001

Date: 7/13/01  
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. #12,1418

House House Education Committee

Subcommittee on \_\_\_\_\_  
or  
 Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken Do Not Pass

Motion Made By Rep. Brusegaard Seconded By Rep. Mueler

Representatives	Yes	No	Representatives	Yes	No
Chairman-RaeAnn G. Kelsch	✓		Rep. Howard Grumbo	✓	
V. Chairman-Thomas T. Brusegaard	✓		Rep. Lyle Hanson	✓	
Rep. Larry Bellew	✓		Rep. Bob Hunskor	✓	
Rep. C.B. Haas	✓		Rep. Phillip Mueller	✓	
Rep. Kathy Hawken	✓		Rep. Dorvan Solberg	✓	
Rep. Dennis E. Johnson	✓				
Rep. Lisa Meler	✓				
Rep. Jon O. Nelson	✓				
Rep. Darrell D. Nottestad	✓				
Rep. Laurel Thoreson	✓				

Total (Yes) 15 No 0

Absent 0

Floor Assignment Rep. Hanson

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

**REPORT OF STANDING COMMITTEE (410)**  
February 13, 2001 4:16 p.m.

Module No: HR-26-3259  
Carrier: Hanson  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**

**HB 1418: Education Committee (Rep. R. Kelsch, Chairman) recommends DO NOT PASS**  
(15 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1418 was placed on the  
Eleventh order on the calendar.