

## **OTHER DUTIES OF THE EDUCATION FUNDING COMMITTEE - BACKGROUND MEMORANDUM**

In addition to the study responsibilities assigned to the Education Funding Committee for the 2017-18 interim, the committee has also been assigned to:

- Receive an annual report from the Superintendent of Public Instruction by the end of February on the financial condition of school districts (North Dakota Century Code Section 15.1-02-09);
- Receive from the Superintendent of Public Instruction the compilation of annual school district employee compensation reports (Section 15.1-02-13); and
- Receive a report from the Superintendent of Public Instruction annually during the 2017-19 biennium regarding the use of teacher loan forgiveness funds received under 2017 Senate Bill No. 2037, including the amount distributed, the number of eligible individuals receiving funds, the recruitment and retention of individuals participating in the program, the average starting salaries of individuals participating in the program, and the effectiveness of the program as determined under criteria developed by the Superintendent of Public Instruction (Section 4 of 2017 Senate Bill No. 2037).

### **REPORT ON THE FINANCIAL CONDITION OF SCHOOL DISTRICTS**

The Legislative Assembly, in 1999 House Bill No. 1034, created Chapter 15.1-02 relating to the Superintendent of Public Instruction, including Section 15.1-02-09 related to biennial report contents. The section was amended in 2005 and 2007 to provide for annual reports on the financial condition of school districts. Section 15.1-02-09 ([Appendix A](#)) requires the Superintendent of Public Instruction to submit an annual report on the financial condition of school districts to the Governor, Legislative Council, and the Secretary of State by the end of February. The Secretary of State must also transmit the report to the state archivist for official and public use.

The Education Funding Committee has been assigned the responsibility to receive a copy of this report.

### **REPORT ON SCHOOL DISTRICT EMPLOYEE COMPENSATION**

The Legislative Assembly, in 2001 House Bill No. 1344, created Section 15.1-02-13 relating to a school district employee compensation report. Section 15.1-02-13 ([Appendix B](#)) requires each school district to report information regarding teacher and administrator employment, compensation, and benefits to the Superintendent of Public Instruction before September 11 of each year. The Superintendent of Public Instruction is required to compile the information in a manner that allows for accurate comparisons and forward a copy of the compiled information to the Governor and the Legislative Council.

The Education Funding Committee has been assigned the responsibility to receive a copy of this report.

### **REPORT ON THE TEACHER LOAN FORGIVENESS PROGRAM**

The Legislative Assembly approved 2017 Senate Bill No. 2037 ([Appendix C](#)) relating to 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 bill amended Section 15-10-38 to include consideration of geographical locations experiencing a teacher shortage or critical need to the criteria for the student loan forgiveness program for teachers. The bill also included legislative intent that funding provided to the North Dakota University System office includes \$2,103,393 from the general fund for the teacher shortage loan forgiveness program and that no more than one-half of the amount may be expended in the first year of the 2017-19 biennium. Section 4 of the bill requires the Superintendent of Public Instruction to provide annual reports to the Legislative Management regarding the use of teacher loan forgiveness funds, including the amount distributed, the number of eligible individuals receiving funds, the recruitment and retention of individuals participating in the program, the average starting salaries of individuals participating in the program, and the effectiveness of the program as determined under criteria developed by the Superintendent of Public Instruction.

The Education Funding Committee has been assigned the responsibility to receive these reports.

ATTACH:3