

Sixty-fifth
Legislative Assembly
of North Dakota

REENGROSSED SENATE BILL NO. 2243

Introduced by

Senators Schaible, Rust, Oban

Representatives D. Johnson, Nathe, Owens

1 A BILL ~~for an Act to create and enact a new section to chapter 15.1-03 of the North Dakota~~
2 ~~Century Code, relating to a teacher loan forgiveness program; and to provide an~~
3 ~~appropriation for an Act to provide for a legislative management study of teacher loan~~
4 ~~forgiveness programs.~~

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

6 ~~SECTION 1. A new section to chapter 15.1-03 of the North Dakota Century Code is created~~
7 ~~and enacted as follows:~~

8 ~~**Teacher shortages – Loan forgiveness.**~~

9 ~~1. The department of public instruction shall administer a student loan forgiveness~~
10 ~~program for individuals teaching at grade levels, in content areas, in geographical~~
11 ~~locations identified as having a teacher shortage or critical need. The department shall~~
12 ~~adopt rules to implement the program.~~

13 ~~2. The superintendent of public instruction shall identify grade levels, content areas, and~~
14 ~~geographical locations in which a teacher shortage or critical need exists. The~~
15 ~~department may approve loan forgiveness for no more than two teachers per year in a~~
16 ~~school district.~~

17 ~~3. To be eligible for loan forgiveness under this section, an individual:~~

18 ~~a. Must have graduated from an accredited teacher preparation program and~~
19 ~~signed a contract to teach at a grade level or in a content area and in a~~
20 ~~geographical location identified by the superintendent of public instruction as~~
21 ~~having an existing teacher shortage or critical need; and~~

22 ~~b. Must have obtained a student loan.~~

23 ~~4. An eligible individual may receive loan forgiveness under the program as follows:~~

- 1 ~~_____ a. If the individual accepts a position in a rural school district or remote town school~~
2 ~~district with an enrollment of fewer than one thousand students:~~
3 ~~_____ (1) Up to four thousand five hundred dollars for the first year;~~
4 ~~_____ (2) Up to four thousand five hundred dollars for the second year; and~~
5 ~~_____ (3) Up to six thousand five hundred dollars for the third year.~~
6 ~~_____ b. If the individual accepts one of up to five positions of critical need as determined~~
7 ~~annually by the superintendent of public instruction:~~
8 ~~_____ (1) Up to four thousand five hundred dollars for the first year;~~
9 ~~_____ (2) Up to four thousand five hundred dollars for the second year; and~~
10 ~~_____ (3) Up to six thousand five hundred dollars for the third year.~~
11 ~~_____ 5. An eligible individual may receive a maximum of twenty five thousand dollars of loan~~
12 ~~forgiveness under the program.~~
13 ~~_____ 6. The department shall consider all applications under this section based on the number~~
14 ~~of unfilled school vacancies, with vacancies in core content areas taking priority.~~
15 ~~_____ 7. Upon notification the individual has completed a full year of teaching in a school~~
16 ~~district or nonpublic school in this state at a grade level or in a content area and in a~~
17 ~~geographical location identified by the superintendent of public instruction as one in~~
18 ~~which a teacher shortage or critical need exists, the department shall distribute funds~~
19 ~~directly to the lending institution of the individual to repay outstanding loan principal~~
20 ~~balances on behalf of eligible applicants. The department shall terminate loan~~
21 ~~forgiveness payments to eligible individuals when the loan principal balance of the~~
22 ~~eligible individual is paid in full.~~
23 ~~_____ 8. For purposes of this section, the definitions of rural school district and remote town~~
24 ~~school district have the same meaning as the definitions under the national center for~~
25 ~~education statistics locale codes.~~

26 ~~_____ **SECTION 2. APPROPRIATION.** There is appropriated out of any moneys in the student~~
27 ~~loan trust fund in the state treasury, not otherwise appropriated, the sum of \$2,000,000, or so~~
28 ~~much of the sum as may be necessary, to the department of public instruction for the purpose of~~
29 ~~administering a student loan forgiveness program, for the biennium beginning July 1, 2017, and~~
30 ~~ending June 30, 2019.~~

1 **SECTION 1. LEGISLATIVE MANAGEMENT STUDY - TEACHER LOAN FORGIVENESS**
2 **PROGRAMS.** During the 2017-18 interim, the legislative management shall consider studying
3 the use of teacher loan forgiveness programs. The study, if conducted, must include a review of
4 all existing teacher loan forgiveness programs administered by state agencies, the effectiveness
5 of the programs, and options to develop a single program to address severe teacher shortage
6 needs. The legislative management shall report its findings and recommendations, together with
7 any legislation required to implement the recommendations, to the sixty-sixth legislative
8 assembly.