

Sixty-fifth
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2037

Introduced by

Legislative Management
(Higher Education Committee)

1 A BILL ~~for an Act to amend and reenact section 15-10-38 of the North Dakota Century Code,~~
2 ~~relating to the teacher shortage loan forgiveness program.~~for an Act to amend and reenact
3 sections 15-10-37 and 15-10-38 of the North Dakota Century Code, relating to the technology
4 occupations student loan and teacher shortage loan forgiveness programs; to provide a
5 statement of legislative intent; and to provide for reports to the legislative management.

6 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

9 ~~15-10-38. Loans - Teacher shortages - Loan forgiveness.~~

10 ~~1. The state board of higher education shall administer a student loan forgiveness~~
11 ~~program for individuals teaching at grade levels or in content areas identified as~~
12 ~~having a teacher shortage. The board shall adopt rules to implement the program.~~

13 ~~2. The superintendent of public instruction shall annually identify the grade levels and~~
14 ~~content areas in which a teacher shortage exists.~~

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

16 ~~a. Must have been admitted as a full-time student in a teacher preparation program,~~
17 ~~with the declared intention hold a qualified license, endorsements or credentials~~
18 ~~to teach at a grade level or in a content area identified by the superintendent of~~
19 ~~public instruction as one in which a teacher shortage exists; and~~

20 ~~b. Must have obtained a student loan with the Bank of North Dakota or other~~
21 ~~participating lender; and~~

22 ~~c. Must hold a current North Dakota educator's license.~~

- 1 ~~4. An individual may receive up to one thousand five hundred dollars per year and a~~
2 ~~maximum of six thousand dollars, or a lesser amount established by rule adopted~~
3 ~~by the state board of higher education under this section.~~
- 4 ~~5. The board shall consider all applications under this section in chronological order.~~
- 5 ~~6. Upon notification that the individual has completed or will complete a full year of~~
6 ~~teaching in a school district or nonpublic school in this state at a grade level or in a~~
7 ~~content area identified by the superintendent of public instruction as one in which a~~
8 ~~teacher shortage exists, the board shall distribute funds directly to the Bank of North~~
9 ~~Dakota or other participating lender to repay outstanding loan principal balances for~~
10 ~~eligible applicants.~~
- 11 ~~7. An individual may not receive a loan forgiveness award under this section if the~~
12 ~~individual is receiving a loan forgiveness award under section 15-10-37 during the~~
13 ~~same application year.~~

14 **SECTION 1. AMENDMENT.** Section 15-10-37 of the North Dakota Century Code is
15 amended and reenacted as follows:

16 **15-10-37. Technology occupations student loan program.**

- 17 1. The state board of higher education shall administer a science, technology,
18 engineering, and mathematics occupations student loan program that encourages
19 college students to pursue studies in these fields, to participate in internship programs,
20 and to remain in the state after graduation. The board shall adopt rules to implement
21 the program, including internship requirements, guidelines to determine which
22 technology-related courses of study are eligible under the program, and standards for
23 eligibility.
- 24 2. Graduates of board-approved colleges may apply for the technology occupations
25 student loan program. To be eligible to receive student loan grants under the program,
26 the applicant:
- 27 a. Must have graduated from a board-approved college;
 - 28 b. Must have successfully completed the board-approved technology-related
29 courses;
 - 30 c. Must have maintained at least a 2.5 grade point average, based on a 4.0 grading
31 system, at a board-approved college;

- 1 d. Must have a student loan with the Bank of North Dakota or other participating
2 lender;
- 3 e. Following graduation must be employed in the state in a board-approved
4 technology occupation with a salary or equivalent hourly wage of sixty thousand
5 dollars or less per year; and
- 6 f. Must have met and shall continue to meet any requirements established by rule.
- 7 3. The state board of higher education shall distribute student loan grants directly to the
8 Bank of North Dakota or other participating lender to repay outstanding student loan
9 principal balances for eligible applicants. The maximum student loan grant amount for
10 which an applicant may qualify is one thousand five hundred dollars per year and a
11 total of six thousand dollars, or a lesser amount established by rule adopted by the
12 state board of higher education.
- 13 4. If an individual is receiving loan forgiveness under any other provision, the individual
14 may not receive loan forgiveness under this section during the same application year.

15 **SECTION 2. AMENDMENT.** Section 15-10-38 of the North Dakota Century Code is
16 amended and reenacted as follows:

17 **15-10-38. Loans - Teacher shortages - Loan forgiveness.**

- 18 1. ~~The state board of higher education shall administer a student loan forgiveness~~
19 ~~program for individuals teaching at grade levels or in content areas identified as~~
20 ~~having a teacher shortage. The board shall adopt rules to implement the program.~~
- 21 ~~2. The superintendent of public instruction shall annually identify the grade levels and~~
22 ~~content areas in which a teacher shortage exists.~~
- 23 ~~3. To be eligible for loan forgiveness under this section, an individual:~~
- 24 ~~a. Must have been admitted as a full-time student in a teacher preparation program,~~
25 ~~with the declared intention to teach at a grade level or in a content area identified~~
26 ~~by the superintendent of public instruction as one in which a teacher shortage~~
27 ~~exists; and~~
- 28 ~~b. Must have obtained a student loan.~~
- 29 ~~4. An individual may receive up to one thousand dollars per year and a maximum of five~~
30 ~~thousand dollars, or a lesser amount established by rule adopted by the state board of~~
31 ~~higher education under this section.~~

1 ~~5. The board shall consider all applications under this section in chronological order.~~

2 ~~6. Upon notification that the individual has completed a full year of teaching in a school~~
3 ~~district or nonpublic school in this state at a grade level or in a content area identified~~
4 ~~by the superintendent of public instruction as one in which a teacher shortage exists,~~
5 ~~the board shall distribute funds directly to the Bank of North Dakota to repay~~
6 ~~outstanding loan principal balances for eligible applicants. The state board of higher~~
7 ~~education shall administer a student loan forgiveness program for individuals teaching~~
8 ~~at grade levels, in content areas, and in geographical locations identified as having a~~
9 ~~teacher shortage or critical need. The board may approve loan forgiveness for no~~
10 ~~more than two teachers per year in a school district. The board shall adopt rules to~~
11 ~~implement the program.~~

12 2. The superintendent of public instruction annually shall identify grade levels, content
13 areas, and geographical locations in which a teacher shortage or critical need exists.

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

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

19 b. Must have an existing student loan.

20 4. For purposes of this section, the definitions of rural school district and remote town
21 school district have the same meaning as the definitions under the national center for
22 education statistics locale codes.

23 5. If an individual is receiving loan forgiveness under any other provision, the individual
24 may not receive loan forgiveness under this section during the same application year.

25 6. An eligible individual may receive loan forgiveness under the program as follows:

26 a. If the individual accepts one of up to five positions of critical need in a nonrural
27 school district or nonremote town school district, the individual may receive up to
28 three thousand dollars per year for a maximum of four years.

29 b. If the individual accepts a position in a rural school district or remote town school
30 district with an enrollment of fewer than one thousand students, the individual

1 may receive up to four thousand five hundred dollars per year for a maximum of
2 four years.

3 c. If the individual accepts one of up to five positions of critical need in a rural
4 school district or remote town school district with an enrollment of fewer than one
5 thousand students, the individual may receive up to six thousand five hundred
6 dollars per year for a maximum of four years.

7 7. The superintendent of public instruction shall consider all applications under this
8 section based on the number of unfilled school vacancies, prioritized by critical need
9 and geographic location.

10 8. Upon notification the individual has completed a full year of teaching in a school
11 district or state-supported school in this state at a grade level or in a content area and
12 in a geographical location identified by the superintendent of public instruction as one
13 in which a teacher shortage or critical need exists, the board shall distribute funds
14 directly to the lending institution of the individual to repay outstanding loan principal
15 balances on behalf of eligible applicants. The board shall terminate loan forgiveness
16 payments to eligible individuals when the loan principal balance of the eligible
17 individual is paid in full.

18 **SECTION 3. LEGISLATIVE INTENT - EDUCATION INCENTIVE PROGRAMS.** It is the
19 intent of the sixty-fifth legislative assembly that subdivision 1 of section 1 of 2017 Senate Bill
20 No. 2003 include the sum of \$2,863,393, or so much of the sum as may be necessary, from the
21 general fund, for the purpose of providing funding of \$260,000 for doctorate graduate programs,
22 \$500,000 for the technology occupations student loan program, and \$2,103,393 for the teacher
23 shortage loan forgiveness program, with no more than one-half of that amount expended in the
24 first year, during the biennium beginning July 1, 2017, and ending June 30, 2019.

25 **SECTION 4. SUPERINTENDENT OF PUBLIC INSTRUCTION - LEGISLATIVE**
26 **MANAGEMENT REPORT.** During the 2017-19 biennium, the superintendent of public
27 instruction shall provide annual reports to the legislative management regarding the use of
28 teacher loan forgiveness funds received under this Act, including the amount distributed, the
29 number of eligible individuals receiving funds, the recruitment and retention of individuals
30 participating in the program, the average starting salaries of individuals participating in the

- 1 program, and the effectiveness of the program as determined under criteria developed by the
- 2 superintendent of public instruction.