

**Sixty-fifth Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 3, 2017**

SENATE BILL NO. 2037
(Legislative Management)
(Higher Education Committee)

AN ACT to amend and reenact sections 15-10-37 and 15-10-38 of the North Dakota Century Code, relating to the technology occupations student loan and teacher shortage loan forgiveness programs; to provide a statement of legislative intent; and to provide for reports to the legislative management.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

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

1. The state board of higher education shall administer a science, technology, engineering, and mathematics occupations student loan program that encourages college students to pursue studies in these fields, to participate in internship programs, and to remain in the state after graduation. The board shall adopt rules to implement the program, including internship requirements, guidelines to determine which technology-related courses of study are eligible under the program, and standards for eligibility.
2. Graduates of board-approved colleges may apply for the technology occupations student loan program. To be eligible to receive student loan grants under the program, the applicant:
 - a. Must have graduated from a board-approved college;
 - b. Must have successfully completed the board-approved technology-related courses;
 - c. Must have maintained at least a 2.5 grade point average, based on a 4.0 grading system, at a board-approved college;
 - d. Must have a student loan with the Bank of North Dakota or other participating lender;
 - e. Following graduation must be employed in the state in a board-approved technology occupation with a salary or equivalent hourly wage of sixty thousand dollars or less per year; and
 - f. Must have met and shall continue to meet any requirements established by rule.
3. The state board of higher education shall distribute student loan grants directly to the Bank of North Dakota or other participating lender to repay outstanding student loan principal balances for eligible applicants. The maximum student loan grant amount for which an applicant may qualify is one thousand five hundred dollars per year and a total of six thousand dollars, or a lesser amount established by rule adopted by the state board of higher education.
4. If an individual is receiving loan forgiveness under any other provision, the individual may not receive loan forgiveness under this section during the same application year.

SECTION 2. 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.~~
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; 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.~~
5. ~~The board shall consider all applications under this section in chronological order.~~
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. The state board of higher education shall administer 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 board may approve loan forgiveness for no more than two teachers per year in a school district. The board shall adopt rules to implement the program.~~
2. The superintendent of public instruction annually shall identify grade levels, content areas, and geographical locations in which a teacher shortage or critical need exists.
3. To be eligible for loan forgiveness under this section, an individual:
 - a. Must have graduated from an accredited teacher preparation program and signed a contract to teach at a grade level or in a content area and in a geographical location identified by the superintendent of public instruction as having an existing teacher shortage or critical need; and
 - b. Must have an existing student loan.
4. For purposes of this section, the definitions of rural school district and remote town school district have the same meaning as the definitions under the national center for education statistics locale codes.
5. If an individual is receiving loan forgiveness under any other provision, the individual may not receive loan forgiveness under this section during the same application year.
6. An eligible individual may receive loan forgiveness under the program as follows:
 - a. If the individual accepts one of up to five positions of critical need in a nonrural school district or nonremote town school district, the individual may receive up to three thousand dollars per year for a maximum of four years.

- b. If the individual accepts a position in a rural school district or remote town school district with an enrollment of fewer than one thousand students, the individual may receive up to four thousand five hundred dollars per year for a maximum of four years.
- c. If the individual accepts one of up to five positions of critical need in a rural school district or remote town school district with an enrollment of fewer than one thousand students, the individual may receive up to six thousand five hundred dollars per year for a maximum of four years.
- 7. The superintendent of public instruction shall consider all applications under this section based on the number of unfilled school vacancies, prioritized by critical need and geographic location.
- 8. Upon notification the individual has completed a full year of teaching in a school district or state-supported school in this state at a grade level or in a content area and in a geographical location identified by the superintendent of public instruction as one in which a teacher shortage or critical need exists, the board shall distribute funds directly to the lending institution of the individual to repay outstanding loan principal balances on behalf of eligible applicants. The board shall terminate loan forgiveness payments to eligible individuals when the loan principal balance of the eligible individual is paid in full.

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

SECTION 4. SUPERINTENDENT OF PUBLIC INSTRUCTION - LEGISLATIVE MANAGEMENT REPORT. During the 2017-19 biennium, the superintendent of public instruction shall provide annual reports to the legislative management regarding the use of teacher loan forgiveness funds received under this Act, 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.

President of the Senate

Speaker of the House

Secretary of the Senate

Chief Clerk of the House

This certifies that the within bill originated in the Senate of the Sixty-fifth Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2037.

Senate Vote: Yeas 46 Nays 0 Absent 1

House Vote: Yeas 67 Nays 25 Absent 2

Secretary of the Senate

Received by the Governor at _____ M. on _____, 2017.

Approved at _____ M. on _____, 2017.

Governor

Filed in this office this _____ day of _____, 2017,

at _____ o'clock _____ M.

Secretary of State