

(Return in triplicate)

FISCAL NOTE

Bill/Resolution No.: Senate Bill 2318 Amendment to: \_\_\_\_\_

Requested by: \_\_\_\_\_ Date of Receipt: 1/15/87

Please estimate the fiscal impact of the above measure for:

State general or special funds       Counties       Cities

In the following space note the fiscal effect in dollars of this measure:

Narrative: No accurate cost estimate can be made at this time.  
An estimate of discontinuing the four-year medical school was made by Ernst & Whinney in its November, 1986 study. The estimated biennial cost reduction of discontinuing the school and contracting for 210 medical students is about \$9 million from the General Fund and \$8.5 million in special funds. See the attached analysis prepared by Ernst & Whinney in its recently completed study.

A two-year medical school will not be accredited by the Liaison Committee on Medical Education, the national accrediting body.

State Fiscal Effect:

		<u>1986-87</u>		<u>1985-87</u> Biennium Total	
<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>
<u>1987-88</u>	<u>1988-89</u>	<u>1987-88</u>	<u>1988-89</u>	<u>1987-89</u> Biennium Total	
<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>

County and City Fiscal Effect:

<u>1985-86</u>		<u>1986-87</u>		<u>Biennium Total</u>	
<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>

If additional space is needed, attach a supplemental sheet.

Signed John A. Richardson

Typed Name John A. Richardson

Date Prepared: 2/2/87

Department Board of Higher Education

UND MEDICAL SCHOOL  
FINANCIAL COST ESTIMATES—CONTINUED

DISCONTINUE THE MEDICAL SCHOOL

	<u>STATE FUNDS</u>	<u>ALL FUNDS</u>
• ESTIMATED ANNUAL COST REDUCTION IF THE UNDERGRADUATE MEDICINE PROGRAM WERE CLOSED	\$7,367,000	\$ 9,376,000
• ESTIMATED ANNUAL COST REDUCTION IF THE ENTIRE FAMILY MEDICINE RESIDENCY WERE CLOSED	<u>\$1,835,000</u>	<u>\$ 4,059,000</u>
TOTAL COST REDUCTION	<u>\$9,202,000</u>	<u>\$13,434,000</u>
• COST TO EDUCATE 210 MEDICAL STUDENTS ANNUALLY ASSUMING A WICHE ARRANGEMENT*	<u>4,725,000</u>	<u>\$ 4,725,000*</u>
NET COST REDUCTION	<u>\$4,477,000</u>	<u>\$ 8,710,000</u>

NOTE: THE \$4,725,000 WOULD BE SPENT OUTSIDE NORTH DAKOTA AND THEREFORE WOULD NOT CONTRIBUTE TO ITS ECONOMY. THE \$8,710,000 COST REDUCTION WOULD REPRESENT FUNDS NOT AVAILABLE TO THE NORTH DAKOTA ECONOMY FOR JOBS, TAXES, ETC.

\*--STUDENT TUITION WOULD BE CHARGED TO THE STUDENT BY THE MEDICAL SCHOOL IN ADDITION TO THE \$22,500 PER STUDENT PER YEAR STATE SUPPORT FEE.