

(Return in triplicate)

FISCAL NOTE

Bill/Resolution No.: HB 1557 Amendment to: \_\_\_\_\_

Requested by: Legislative Council Date of Receipt: 1-25-89

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:** It is difficult to estimate the fiscal impact of this bill. Therefore, examples of impact will be shown.

1. Very likely, this bill will mean reduced enrollments. For example, if tuition revenues declined 10%, the institutions would experience a \$9 million reduction in 1989-91 estimated tuition revenue.
2. In 1987-88 there were 4,609 graduates receiving bachelors degrees, graduate degrees, or professional degrees. If, for example, 2/3 left the state and each student were required to pay \$7,000 to \$8,000, approximately \$21 - \$25 million would be owed by the students to be repaid over 10 years.
3. Additional administrative expenses would be required of the institutions. For example, 6 additional FTE staff at \$15,000 per year plus fringes equals \$225,000 biennially. Also, Section 1, Subsection 5 of the bill requires a program cost accounting system to be developed by the Board of Higher Education. This could cost approximately \$100,000-\$200,000. No estimate is made of Bank of North Dakota administrative expenses.

State Fiscal Effect:

| <u>1989-90</u>      |                      | <u>1990-91</u>      |                      | <u>Biennium Total</u> |                      |
|---------------------|----------------------|---------------------|----------------------|-----------------------|----------------------|
| <u>General Fund</u> | <u>Special Funds</u> | <u>General Fund</u> | <u>Special Funds</u> | <u>General Fund</u>   | <u>Special Funds</u> |

(See narrative)

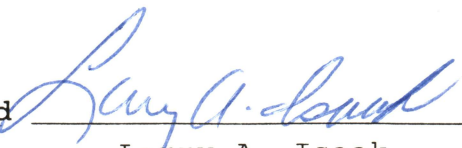
County and City Fiscal Effect:

| <u>1989-90</u>  |               | <u>1990-91</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.

1-26-89

Date Prepared: \_\_\_\_\_

Signed   
 Typed Name Larry A. Isaak  
Board of Higher Education  
 Department \_\_\_\_\_