

FISCAL NOTE

(Return original and 10 copies)

Bill/Resolution No.: SB 2166 Amendment to: _____

Requested by Legislative Council Date of Request: January 15, 1997

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts.

Narrative:

Two types of costs are involved to implement a prepaid tuition plan: DIRECT COSTS for administration of the program. (See Attachment A) POTENTIAL COSTS in the form of an unfunded liability for the general fund may result should tuition increase at a level which exceeds that planned for in the actuary study or the investment return. The amount of the potential liability cannot be estimated.

2. State fiscal effect in dollar amounts:

1995-97 <u>Biennium</u>		1997-99 <u>Biennium</u>		1999-2001 <u>Biennium</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>

Revenues:

Expenditures: \$204,000 \$225,000

3. What, if any, is the effect of this measure on the appropriation for your agency or department:

- a. For rest of 1995-97 biennium: _____
- b. For the 1997-99 biennium: Administrative expense of \$204,000
(identified above)
- c. For the 1999-2001 biennium: Administrative expense of \$225,000
(identified above)

4. County, City, and School District fiscal effect in dollar amounts:

1995-97 <u>Biennium</u>			1997-99 <u>Biennium</u>			1999-2001 <u>Biennium</u>		
<u>Counties</u>	<u>Cities</u>	<u>School Districts</u>	<u>Counties</u>	<u>Cities</u>	<u>School Districts</u>	<u>Counties</u>	<u>Cities</u>	<u>School Districts</u>

If additional space is needed, attach a supplemental sheet.

Signed Wally Erhardt

Typed Name Wally Erhardt

Date Prepared: January 20, 1997

Department Bank of North Dakota

Phone Number 701 328-5654

SB2166

Attachment A

Estimated direct expenses related to implementing a prepaid tuition plan include: Board of director expenses; actuary services fees, trustee service fees, fees for an investment manager to actively manage the fund; 1 FTE to coordinate day to day operations; office equipment and supplies; promotional materials and travel; and postage.

BIENNIUM	1997-1999	1999-2001
Board of Directors	\$12,000	\$8,000
Actuary, Trustee & Investment Services	\$75,000	\$100,000
Employee	\$52,000	\$52,000
Office Equipment and Supplies	\$10,000	\$10,000
Promotional Materials and Travel	\$20,000	\$20,000
Postage	\$35,000	\$35,000
TOTAL	\$204,000	\$225,000