

**FISCAL NOTE**

(Return original and 10 copies)

Bill/Resolution No.: HB 1199 Amendment to: \_\_\_\_\_

Requested by Legislative Council Date of Request: 1-8-99

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:** It is estimated that the annual funding for this student loan program will be \$10,000,000 reaching an outstanding portfolio of \$50,000,000. The cost of funds, estimated at 6%, will result in an expense of \$600,000 the first year and increasing each year as student debt increases. An average graduate would borrow approximately \$2,000. Loan forgiveness annually is estimated at \$1,000,000 based upon the current percent of students remaining in the state after graduation of approximately 61%. This number will increase as borrowers continue to remain in the state and enjoy debt forgiveness in subsequent years.

2. State fiscal effect in dollar amounts:

	1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
	General Fund	Special Funds	General Fund	Special Funds	General Fund	Special Funds
Revenues:	-0-	-0-	-0-	-0-	-0-	-0-
Expenditures:	-0-	-0-	-0-	1,800,000	-0-	6,700,000

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

- a. For rest of 1997-99 biennium: -0-
- b. For the 1999-2001 biennium: \$1,800,000 foregone interest and admin. exp. of \$100,000
- c. For the 2001-03 biennium: \$4,200,000 foregone interest, \$2,500,000 loan forgiveness, and admin. exp. of \$200,000

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

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

If additional space is needed, attach a supplemental sheet.

Signed Julie Kubisiak

Typed Name Julie Kubisiak

Date Prepared: 1-15-99

Department Bank of North Dakota

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