

## FISCAL NOTE

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Bill/Resolution No.: HB 1437 Amendment to: \_\_\_\_\_

Requested by Legislative Council Date of Request: 1-20-99

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

**Narrative:**

In 1998, 725 North Dakota students entered the teaching profession in the state. Currently the average graduating senior is leaving school with an estimated debt level of \$9,000. The current variable interest rate is 7.66%. Allowing students to borrow an additional 50% over the present federal maximum would result in the establishment of a new student loan program. The forgiveness of principal, according to the bill, would not become effective for a period of five years and as a result would not impact the specified biennium in this fiscal note but would impact future bienniums.

- 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-	1,500,000	-0-	3,500,000

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

- For rest of 1997-99 biennium: -0-
- For the 1999-2001 biennium: \$1,500,000 plus admin. exp. of \$50,000
- For the 2001-03 biennium: \$3,500,000 plus admin. exp. of \$50,000

- 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, Director

Department Bank of North Dakota Student Loan Division

Phone Number 701-328-5621

Date Prepared: 1/22/99