

FISCAL NOTE
Requested by Legislative Council
01/05/2019

Bill/Resolution No.: SB 2141

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2017-2019 Biennium		2019-2021 Biennium		2021-2023 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$161,966	\$0	\$161,966
Expenditures	\$0	\$0	\$899,476	\$0	\$899,476	\$0
Appropriations	\$0	\$0	\$105,000,000	\$0	\$105,000,000	\$0

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2017-2019 Biennium	2019-2021 Biennium	2021-2023 Biennium
Counties	\$0	\$0	\$0
Cities	\$0	\$0	\$0
School Districts	\$0	\$0	\$0
Townships	\$0	\$0	\$0

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Funding \$5,000 for each of 21,000 newborns estimated to be born every biennium in ND, administrative support, record keeping and investing for the program by hiring a brokerage firm.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

BND estimates \$105 million in funding for the 2019-2021 biennium for the estimated 21,000 newborns and has been asked to administer and manage the allocated resources.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

Revenue to BND to administer the plan is based on .10 basis points, or the same administrative fee the Bank currently receives for managing the 529 College SAVE Plan and assumes a 3 percent rate of return on the appropriation. Revenue projections for the first year of the 2019-2021 biennium are \$52,500 and revenue projections for the second year of the 2019-2021 biennium are \$109,465. Total revenue for the 2019-2021 biennium is projected at \$161,966 and continues on for the following biennium.

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Expenditures to have the appropriation managed by a professional brokerage firm is based on .55 basis points, or the same administrative fee direct sold participants are currently charged in the 529 College SAVE Plan and assumes a 3 percent rate of return on the appropriation. Expenditure projections for the first year of the 2019-2021 biennium are \$297,413 and expenditure projections for the second year of the 2019-2021 biennium are \$602,063. Expenditures for the 2019-2021 biennium are projected at \$899,476. This includes the .10 basis points of the administrative fee referred to in section 3A.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

Appropriation is estimated at \$105 million for the 2019-2021 biennium and continues on for the next biennium.

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