



House Bill 1404

House Education Committee

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Good morning Chair Owens and members of the committee. My name is Tammy Dolan, and I serve as the Vice Chancellor for Administrative Affairs for the North Dakota University System (NDUS). I am here to provide testimony as to the fiscal impact of HB1404.

HB1404 creates a new student loan forgiveness program for eligible peace officers. Eligibility requirements include being a resident of ND; working as a full-time peace officer in the state for at least 12 months; successfully completing a qualifying educational program; and having a student loan with the Bank of North Dakota (BND). The State Board of Higher Education (SBHE) would administer the program and could establish other eligibility qualifications.

Qualified applicants would receive up to \$2,400 per year, or \$200 each month, for student loans held by the BND. Applicants could not receive an amount exceeding their monthly payment. The SBHE would make payments directly to BND.

The NDUS consulted with both the Peace Officers Standards & Training Board and the BND to estimate the cost of this new program. Currently, there are about 2,100 licensed peace officers working in the state. It is estimated that approximately 10% of these officers have student loans at the BND. This estimate does not include added costs for new officers hired each year. The bill does not cap the loan forgiveness amount that each person could receive. Therefore, officers could receive up to \$4,800 per biennium until their student loans are paid in full. **Using these factors, the program would require a general fund appropriation of \$1,008,000 per biennium.**

To administer the program, the NDUS would need to develop a scholarship system which, based on previous projects, is estimated to cost \$110,000. NDUS would also need to add 1 full-time position to manage applications, process & track monthly payments, ensure timely processing of monthly payments with varying due dates and other program administrative tasks. Salary, benefits & operating expenses for this position would be about \$205,000 per biennium. The NDUS budget cannot absorb these costs. **As a result, we respectfully request an appropriation of \$315,000 and 1.00 FTE be provided for the NDUS and amended into HB1404.**

This concludes my testimony for HB1404, and I will stand for questions from the committee.