

FISCAL NOTE

Requested by Legislative Council
01/22/2003

Bill/Resolution No.: SB 2282

1A. **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.*

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$190,000	\$0	\$144,000	\$0	\$144,000
Expenditures	\$0	\$534,000	\$0	\$700,000	\$0	\$700,000
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

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

2001-2003 Biennium			2003-2005 Biennium			2005-2007 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

This year, the UND School of Medicine and Health Sciences provided loans to 88 medical students totaling \$267,000. This would likely increase \$83,000, to approximately \$350,000 based on loans of \$6,000 each (the maximum proposed in the legislation) and assuming that adequate funding is available in the revolving loan fund. Funding for the loans is from a revolving loan fund that was originally established by the legislature. The last general fund appropriation to this fund was made in 1977 for \$100,000.

Interest collections would likely be reduced with the proposed change in Section 6 of the bill that would permit the interest rate to be established at a lower level than six percent to coincide with average federal Stafford Loan interest rate. The current Stafford loan rate is 3.46%. Interest collections would be reduced by approximately \$23,000 per year assuming an average loan amount of \$6,000 and a 3.46% interest rate (instead of the current 6% that is charged).

There is no fiscal impact associated with the proposed changes related to the medical center advisory committee.

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.*

Revenues would be reduced to the revolving loan trust fund assuming that the interest rate is reduced from the current 6% to 3.46%, the current Stafford loan rate. Biennial interest collections would be reduced from \$190,000 to \$144,000 or \$46,000 per 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 from the revolving loan fund would be increased from \$534,000 per biennium to \$700,000 based on the assumption

that the loan amount would be increased from \$4,000, to the proposed maximum of \$6,000.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

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Agency: NDUS
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