

FISCAL NOTE

Requested by Legislative Council
02/19/2003

Amendment to: 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 | | | | | | |

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.

Name: Laura Glatt
Phone Number: 328-4116

Agency: NDUS
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