

FISCAL NOTE

Requested by Legislative Council
01/28/2003

Bill/Resolution No.: SB 2360

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				\$6,600		\$18,000
Expenditures				\$51,400		\$102,800
Appropriations			\$51,400		\$102,800	

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.*

ASSUMPTIONS --

- * 30 students per year will participate in the program, of which 50% remain in the state to work and qualify for the loan forgiveness
- * cost of the program is \$3,400 tuition plus \$3,000 living expenses
- * Revenue - interest at BND base rate less cost of funds
- * Expenditure - forgiveness of one third of principal & interest
- * all employers provide the training assistance match (one third of principal & interest)(if some do not the impact to the Bank will be reduced)
- * assumed no additional f.t.e. costs or additional operating expenses for loan servicing
- * the loans are not guaranteed, or secured (most borrowers will have no collateral)
- * Expenditure - 10% of the borrowers will default on their loans

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.*

See question #2.

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.*

See question #2.

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.*

BND specifically requests appropriation of monies to fund the amount of loan forgiveness and defaults as shown.

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