

FISCAL NOTE
Requested by Legislative Council
02/20/2009

Amendment to: Engrossed
SB 2062

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.*

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$24,830,000		\$35,785,000	
Appropriations			\$0		\$10,785,000	

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

2007-2009 Biennium			2009-2011 Biennium			2011-2013 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

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

Provides new \$2,400 annual grant to ND residents consistent with HB1400 requirements; \$20M new funding for current needs-based aid program, increasing award maximum to \$2,000; and, new funding of \$1M changing existing loan forgiveness program to STEM focus with increased award amount.

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.*

Section 1 increases the STEM loan forgiveness program award from \$1,000 to \$2,000 per year and from three to five years eligibility.

Section 4 establishes a new student opportunity grant program of \$2,400 per year.

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.*

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.*

The \$20 million in new funding in SB2062, along with the base funding in SB2003, provides a total of \$27.2 million for state grants in 09-11 to assist approximately 7,750 students per year with annual grants ranging from \$500 to \$2,000, based on the level of unmet need.

The \$2,400 annual new opportunity grants is estimated to cost \$3.6 million in 09-11, plus the addition of two new staff positions to implement and manage the new program at an estimated cost of \$230,000. In 11-13, the annual grants are estimated to cost a total of \$13.6 million as the program ramps up to two full classes of freshmen each year and continuation of upper classmen who meet the GPA requirement, and also continuation of staffing costs (\$245,000). It should be noted that the bill currently contains \$4.0 million, but it is not clear that the funding can be used for administrative costs.

The \$1 million in new funding in SB2062, along with the base funding in SB2003 of \$696,000 for the STEM loan

forgiveness program, will provide approximately 100 new awards per year, plus continuation of applicants for up to five years at \$2,000 each year. The cost to continue the program in 2011-13, with 100 new awards per year, plus continuation, would be \$1.94 million.

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 is also included in the executive budget or relates to a continuing appropriation.*

An additional appropriation of \$10,785,000 (13,600,000 + 245,000 + 1,940,000 – 4,00,000 – 1,000,000) would be needed in 2011-13 biennium to sustain the ongoing commitments for the opportunity grant and the STEM loan forgiveness programs.

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