

FISCAL NOTE
Requested by Legislative Council
02/05/2009

Amendment to: SB 2226

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			\$48,490,000		\$50,354,000	
Appropriations			\$6,000,000		\$1,864,000	

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).*

Increase technology occupations loan forgiveness maximum from \$1,000 to \$2,000 and from 3 to 5 years. And, increase maximum needs-based financial aid state grant award from \$1,000 to \$2,000.

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.*

Both sections 1 and 2 of the bill have a fiscal impact, if the current level of loan forgiveness or grant is increased beyond the current loan/grant level, up to the maximum called for in the bill. While the amendment does not impact the level of expenditures, it does shift funds away from students attending private institutions to those attending public institutions.

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.*

Section 1. An increase from current \$1,000 to \$2,000 for all new (250 in 09-10 and 275 in 10-11) and returning tech. occupations applicants would result in expenditures of \$2.89 million, an increase of \$2.194 million over 07-09. Expenditures would increase another \$1.864 million in 2011-13 to fund students for five years at \$2,000 each assuming 275 new funded applicants per year.

Section 2. Fully funding each student at the maximum level of \$2,000 per student, would result in expenditures of \$45.6 million (\$2,000 x 11,400 students per year=\$45.6 million); however, it is the intent to provide an across-the-board grant of \$2,000 to all students, grants would likely range from \$500-\$2,000 depending on the level of unmet need.

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.

Section 1. Increasing the tech. occupations loan forgiveness from \$1,000 to \$2,000 and funding new applicants of 250 in 09-10 and 275 in 10-11 would require a 09-11 biennial appropriation of \$2.89 million, which is included in the executive recommendation and in SB2003, thus there would be no additional appropriation required beyond SB2003. General fund appropriation would need to increase another \$1.864 million to sustain the program in 2011-13 under the provisions of the bill.

Section 2. The Executive Budget (SB2003) includes \$39.6 million to support the Governor's proposed ACT-ND program, to provide needs-based grants of between \$500-\$2,000 to approximately 11, 400 students per year, requiring increased funding of \$33.1 million over 07-09. In order to fully fund students at the maximum of \$2,000 each, an additional \$6 million (\$45.6 less 39.6 million) would be required above and beyond the Executive Budget; however, it is unlikely that all students would receive the maximum \$2,000 annual grant amount. Expenditure levels would not increase in 2011-13, since there are no legal commitments to sustain the grant on a year-to-year basis once a student is initially funded.

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