

**FISCAL NOTE**  
**Requested by Legislative Council**  
**01/18/2021**

Bill/Resolution No.: HB 1404

- 1 A. **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.*

	2019-2021 Biennium		2021-2023 Biennium		2023-2025 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>						
<b>Expenditures</b>			\$1,323,000		\$1,323,000	
<b>Appropriations</b>			\$1,323,000		\$1,323,000	

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

	2019-2021 Biennium	2021-2023 Biennium	2023-2025 Biennium
<b>Counties</b>			
<b>Cities</b>			
<b>School Districts</b>			
<b>Townships</b>			

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

HB1404 creates a peace officer student loan forgiveness program which provide \$4,800 of student loan forgiveness payments to peace officers every year until the loan is fully paid.

- 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.*

To be eligible for the program, peace officers must be a resident of ND; have worked as a full-time peace officer in the state for at least 12 months; have successfully completed a qualifying educational program; and, have a student loan with the BND. The SBHE would administer the program and could establish other eligibility qualifications.

Qualified applicants would receive up to \$200 per month for student loans held by the BND. Applicants could not receive an amount exceeding their monthly payment. The SBHE would make payments directly to BND.

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.*

According to the Peace Officer Standards & Training Board, there are approximately 2,100 licensed peace officers working in the state. It is estimated that approximately 10% of these officers have student loans at the BND. Each qualified officer would be eligible for up to \$4,800 per biennium in loan payments, which equates to \$1,008,000 per biennium. [ \$200/mo. X 24 mos. X 210 officers = \$1,008,000.] This cost estimate does not include added costs for new officers hired each year.

The bill does not cap the loan forgiveness amount that each individual could receive. Therefore, officers could receive up to \$4,800 per year until their student loans are completely paid off, if the program continues to be funded by the legislature.

The NDUS would need to develop a scholarship system to manage the program, which, based on previous project, is estimated to cost \$110,00. NDUS would also need to add 1 full-time position to handle applications, process & track monthly payments, ensure timely processing of monthly payments with varying due dates and other program administration tasks. Salary, benefits & operating expenses for this position would be about \$205,000 per biennium.

- 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 or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

A \$1,323,000 general fund ongoing appropriation is required to cover the estimated loan forgiveness payments, one new FTE position and technology system development costs for the proposed peace officer student loan forgiveness program. This amount is not included in the NDUS base budget or the Executive Budget Recommendation.

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