

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1043

2001 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1043

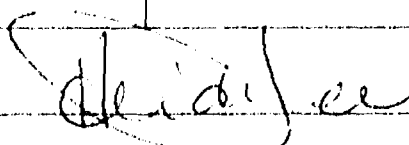
2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1043

House Industry, Business and Labor Committee

Conference Committee

Hearing Date Jan 29, 2000

Tape Number	Side A	Side B	Meter #
1		X	4.0-16.85
Committee Clerk Signature 			

Minutes: Chairman R. Berg, Vice-Chair G. Keiser, Rep. M. Ekstrom, Rep. R. Froelich, Rep. G. Froseth, Rep. R. Jensen, Rep. N. Johnson, Rep. J. Kasper, Rep. M. Klein, Rep. Koppang, Rep. D. Lemieux, Rep. B. Pietsch, Rep. D. Ruby, Rep. D. Severson, Rep. E. Thorpe.

Rep Klinske: This bill is to try to keep young people in ND. We'd like to use this as an incentive to encourage young people to stay in school here in ND and then continue on to work in our industries that most need workers. If a person chose to stay in the state they would be eligible for \$2,000 per year reimbursement directly to their lending facility after their year of service. We'd like to change the bill to allow them to be applicable for five years instead of two years.

Jennifer Clark: *Legal Counsel for NDLC* We simply provide that this program is available to graduates of eligible post-secondary education institutions in this state. The student has to be employed in a target industry located in the state. The student has to apply annually with an affidavit to show that they qualify. Payment by the Bank of North Dakota is subject to availability by appropriation. Payments will max. out at \$2,000 a year or \$166.66 per month

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House Industry, Business and Labor Committee

Bill/Resolution Number HB 1043

Hearing Date Jan 23, 2001

maximum. ED & F is responsible for determining the target industry and they will do that annually. This will put the business industry in sync with higher ed. ED&F will report to each legislative assembly regarding the proponents target industry.

Rep Johnson: The appropriation is for 2 million dollars. How does this work?

Clark: It is by the biennium and most likely on a first come first serve basis.

Chairman Berg: We'll close the hearing on HB 1043.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1043(B)

House Industry, Business and Labor Committee

Conference Committee

Hearing Date Feb. 6 2001

Tape Number	Side A	Side B	Meter #
3		X	9.9-24.4
Committee Clerk Signature <i>Heidi Lee</i>			

Minutes: Chairman R. Berg, Vice-Chair G. Keiser, Rep. M. Ekstrom, Rep. R. Froelich, Rep. G. Froseth, Rep. R. Jensen, Rep. N. Johnson, Rep. J. Kasper, Rep. M. Klein, Rep. Koppang, Rep. D. Lemieux, Rep. B. Pietsch, Rep. D. Ruby, Rep. D. Severson, Rep. E. Thorpe.

Rep Keiser: I move the amendments.

Rep Johnson: I second.

Rep Pietsch: I move a do pass as amended with rereferral to appropriations.

7 yea, 6 nay, 2 absent

Carrier Rep Johnson.

FISCAL NOTE
 Requested by Legislative Council
 02/22/2001

Bill/Resolution No.:

Amendment to: Engrossed
 HB 1043

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.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$1,034,000			
Appropriations			\$1,000,000			

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

1999-2001 Biennium			2001-2003 Biennium			2003-2005 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.*

The proposed payment mechanism does not fit readily within the Bank's current student loan servicing operations because 1) many of the borrowers eligible for these payments are not currently customers of the Bank, and 2) Bank systems do not currently track some of the data elements necessary to support the requirements of the proposal. There are a number of questions to be resolved prior to the Bank being able to effect these payments.

The legislation contains an appropriation of \$1 million for the biennium. Are we to assume that this is 1/2 million each year? Or do we satisfy all requests until the monies are exhausted, even if it means more money is available in one year than the other?

What do we do if we have requests which would collectively exceed the amount of money available either in a one year period, or over the biennium? Prorata payments? First come, first served?

If prorata, it would be possible that we would have payments that did not meet the individual amounts (the lesser of \$166.66 or the amount of their monthly payments) as established by the legislation.

If first come, first served, some applicants may get nothing.

The legislation talks of employment "...in a target industry...in one of the identified classifications as provided in this Act" but does not define "identified classifications". What are we to do with it?

If, at the time the borrower certifies his monthly payments, he is in one of the forbearance/deferment categories which provides a reduced payment, his eligibility for benefits is adversely affected. How do we deal with this?

It is conceivable that a borrower's monthly payment amount, multiplied by the number of eligible months would yield an annual payment amount under this program which is larger than the borrower's remaining debt (due to a small number of remaining payments). We will need to collect his indebtedness information and adjust our procedures accordingly?

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.*

n/a

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 for the 2001-2003 biennium include: labor costs; lease of personal computer equipment; postage; telephone; etc.

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.*

The expenditures for the next biennium nor the FTE authorization have been included in the appropriations request for the Bank of North Dakota; therefore, the funding has been requested under the general fund column. Funding of the actual payments, as included under HB 1043, has been included in the general fund column.

Name:	Al Nosbusch	Agency:	Bank of North Dakota
Phone Number:	328-5742	Date Prepared:	02/28/2001

FISCAL NOTE
 Requested by Legislative Council
 01/11/2001

REVISION

Bill/Resolution No.: HB 1043

Amendment to:

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.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$2,068,000			
Appropriations			\$2,000,000			

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

1999-2001 Biennium			2001-2003 Biennium			2003-2005 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.*

The proposed payment mechanism does not fit readily within the Bank's current student loan servicing operations because 1) many of the borrowers eligible for these payments are not currently customers of the Bank, and 2) Bank systems do not currently track some of the data elements necessary to support the requirements of the proposal. There are a number of questions to be resolved prior to the Bank being able to effect these payments.

The legislation contains an appropriation of \$2 million for the biennium. Are we to assume that this is \$1 million each year? Or do we satisfy all requests until the monies are exhausted, even if it means more money is available in one year than the other?

What do we do if we have requests which would collectively exceed the amount of money available either in a one year period, or over the biennium? Prorata payments? First come, first served?

If prorata, it would be possible that we would have payments that did not meet the individual amounts (the lesser of \$166.66 or the amount of their monthly payments) as established by the legislation.

If first come, first served, some applicants may get nothing.

The legislation talks of employment "...in a target industry...in one of the identified classifications as provided in this Act" but does not define "identified classifications". What are we to do with it?

If, at the time the borrower certifies his monthly payments, he is in one of the forbearance/deferment categories which provides a reduced payment, his eligibility for benefits is adversely affected. How do we deal with this?

It is conceivable that a borrower's monthly payment amount, multiplied by the number of eligible months would yield an annual payment amount under this program which is larger than the borrower's remaining debt (due to a small number of remaining payments). We will need to collect his indebtedness information and adjust our procedures accordingly?

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.*

n/a

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 for the 2001-2003 biennium include: .75 FTE Account Tech II; lease of personal computer equipment; postage; telephone; etc.

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.*

The expenditures for the next biennium nor the FTE authorization have been included in the appropriations request for the Bank of North Dakota; therefore, the funding has been requested under the general fund column. Funding of the actual payments, as included under HB 1043, has been included in the general fund column.

Name:	Al Nosbusch	Agency:	Bank of North Dakota
Phone Number:	328-5742	Date Prepared:	01/18/2001

FISCAL NOTE

Requested by Legislative Council

12/27/2000

REVISION

Bill/Resolution No.: HB 1043

Amendment to:

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.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures		\$15,000	\$68,000			\$95,000
Appropriations			\$2,068,000		\$2,000,000	\$95,000

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

1999-2001 Biennium			2001-2003 Biennium			2003-2005 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.*

The proposed payment mechanism does not fit readily within the Bank's current student loan servicing operations because 1) many of the borrowers eligible for these payments are not currently customers of the Bank, and 2) Bank systems do not currently track some of the data elements necessary to support the requirements of the proposal. There are a number of questions to be resolved prior to the Bank being able to effect these payments.

The legislation contains an appropriation of \$2 million for the biennium. Are we to assume that this is \$1 million each year? Or do we satisfy all requests until the monies are exhausted, even if it means more money is available in one year than the other?

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It is conceivable that a borrower's monthly payment amount, multiplied by the number of eligible months would yield an annual payment amount under this program which is larger than the borrower's remaining debt (due to a small number of remaining payments). We will need to collect his indebtedness information and adjust our procedures accordingly?

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.*

n/a

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 for the Bank of North Dakota to implement this program in the remainder of the 1999-2001 biennium include salaries and wages for a portion of 2001 for planning and implementation of the program. These expenditures have not been included in any appropriation for the Bank of North Dakota.

Expenditures for the 2001-2003 biennium include: .75 FTE Account Tech II; lease of personal computer equipment; postage; telephone; etc.

