



128th MAINE LEGISLATURE

LD 1163

LR 145(01)

An Act To Authorize a General Fund Bond Issue To Provide Funding for a Program of Student Debt Payment and To Provide for the Establishment of That Program

Preliminary Fiscal Impact Statement for Original Bill

Sponsor: Sen. Libby of Androscoggin

Committee: Appropriations and Financial Affairs

Fiscal Note Required: Yes

Preliminary Fiscal Impact Statement

Current biennium cost increase - General Fund

Bond Issues	Term (years)	Principal	Rate (%)	Interest	Total Cost
General Fund - Taxable	10	\$250,000,000	4.75%	\$65,312,500	\$315,312,500

Referendum Costs	Month/Year	Election Type	Question	Length
	Nov-18	General	Bond Issue	Standard

The Secretary of State's budget includes sufficient funds to accommodate one ballot of average length for the general election in November. If the number or size of the referendum questions requires production and delivery of a second ballot, an additional appropriation of \$107,250 may be required.

Fiscal Detail and Notes

The Finance Authority of Maine estimates its cost to establish and operate the Student Debt Cancellation and Refinance Program to be between \$750,000 and \$1,000,000 per year, or between 3% and 4%, assuming annual bond activity of \$25,000,000 per year over the 10 year period. Because this legislation provides that a portion of the bond monies may be used for administrative costs, no General Fund appropriations are required.