

FISCAL NOTE

Requested by Legislative Council
01/17/2003

Bill/Resolution No.: SB 2225

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.*

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

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

2001-2003 Biennium			2003-2005 Biennium			2005-2007 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$4,150	\$4,150	\$11,000	\$4,350	\$4,350	\$11,500

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

The bill will reduce the monetary requirements to qualify for unemployment insurance benefits. Consequently, more individuals will be eligible for benefits. This will increase the amount of benefits that will be paid from the Unemployment Insurance Trust Fund.

The amounts presented only reflect what can be determined from the data we have in our system. Therefore, we expect the full impact of the change to be greater, however, we cannot determine that amount. Our system only has records for those individuals who had completed an application for unemployment insurance. In many cases when individuals are made aware that they are not monetarily eligible, they choose not to complete the application or in other cases individuals are familiar with the program requirements and do not attempt to apply.

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.*

Current claimant monetary determination is based on the individual's base period wage ratio (total base period wages/highest quarter wages), which currently must be 1.50 or more. With this bill, a base period wage ratio of 1.0 or more monetarily qualify the individual. Using an older database (July 1992 to June 1993) where the base period wage ratio for eligibility was 1.30 or more, we determined the percentage of claimants that had a ratio of 1.30 to 1.49. Ineligible claimants with base period wage ratios of 1.00 to 1.29 may not be included. Benefit payout increase from this bill is calculated at 1.3%; resulting in an impact to the Unemployment Insurance Trust Fund of an additional payout of \$1,252,000 for the 2003-2005 biennium and \$1,311,000 for the 2005-2007 biennium.

The projected additional cost to state governmental entities is \$14,100 for the 2003-2005 biennium and \$14,800 for the 2005-2007 biennium.

With respect to political subdivision impact, unemployment insurance records do not differentiate an account's ownership as City or County, they are grouped together as "local government". Consequently, the additional costs can only be projected for "local government". The amounts for City and County in section 1B are an even division of the projected increase for "local government".

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.*

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Date Prepared: 01/22/2003