

FISCAL NOTE

Requested by Legislative Council

01/07/2005

Bill/Resolution No.: HB 1198

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.*

	2003-2005 Biennium		2005-2007 Biennium		2007-2009 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$1,312,000	\$0	\$2,422,120
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

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

2003-2005 Biennium			2005-2007 Biennium			2007-2009 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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

This Bill will reduce the annual number of job-attached Unemployment Insurance (UI) claimants by 6,650, thus necessitating reemployment services for those claimants, and more than doubling the number of claimants currently receiving those services. The principal portions of the costs reported in this fiscal note are for the salaries of the additional staff necessary to do a credible job of providing reemployment services to those added non-job-attached claimants. In the initial year following the effective date of the Bill (Fiscal Year 2006), those costs are estimated at \$1,287,135 to pay and equip 21 additional Customer Service Specialists to handle the workload. In addition, some programming of our automated telephonic claimsfiling, and our Internet claimsfiling systems would have to be done to make the random selection required by the Bill. ITD has estimated that this will cost \$24,865, for a total cost for the 2005-2007 biennium of \$1,312,000. The ongoing biennial costs are estimated (assuming one 4% salary increase in the 2007-2009 biennium) at \$2,422,120. We have not estimated the impact to the UI Trust Fund, as we don't have the necessary historical data to make that estimate, but it will probably not be significant. Unless Job Service was to receive revenue from the General Fund, or from a new funding source to fund these expenditures, this Bill cannot be effectively implemented without drastic reductions in other UI services.

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.*

This Bill will not cause an increase in revenues

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.*

This Bill will cause an increase in expenditures from our limited Federal funding source of \$1,312,000 in the 2005-2007 biennium; and \$2,422,120 in the 2007-2009 biennium.

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.*

This Bill will not result in a request for increased appropriations, as our current appropriation request already includes all of the Federal funds that we anticipate receiving for the 2005-2007 biennium.

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Agency: Job Service
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