

# FISCAL NOTE

Requested by Legislative Council  
12/26/2006

Bill/Resolution No.: SB 2035

**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.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Expenditures</b>	\$0	\$0	\$0	\$22,155	\$0	\$0
<b>Appropriations</b>	\$0	\$0	\$0	\$0	\$0	\$0

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

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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

This bill amends existing legislation, and provides a change to the calculation of Unemployment Insurance tax rates providing a minimum multiplier of 100% for the negative rate tax structure.

**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.*

The changes in this bill will have no impact on revenue.

The expenditures associated with this bill relate to the creation of a second tax rate multiplier. The existing multiplier will continue to be used for the positive tax rate array, and the new multiplier will be used for the negative tax rate array. Several areas of the Tax system will need modification.

Due to limited Job Service North Dakota programming staff availability, it is expected that a contractor will be needed to complete the required programming. Contractor programming costs are estimated as follows:

\$16,240 - 56 Programmer/Analyst hours  
\$ 5,000 - Developer software costs  
\$ 175 - Network hookup  
\$ 450 - Emulation software  
\$ 290 - Office Suite software  
\$22,155 - Total Cost

If the project can be worked into the IT Plan, Job Service North Dakota IT staff would complete the programming at a cost of  
\$3,248 (56 Programmer/Analyst hours).

**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.*

The expenditure would be to enter into a contract with external programmers. The projected expenditure would affect the operating expense line item and would be charged to the agency's federal funds.

If the programming is done by Job Service North Dakota IT staff, the number of FTEs would not be changed.

The expenditures, if any, would be offset against another planned expenditure in order to stay within the available federal resources.

**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 is also included in the executive budget or relates to a continuing appropriation.*

Because the agency would not be receiving any additional federal resources to fund this expenditure, an offsetting decrease in another budgeted operating expense item would need to be accomplished. Therefore, there would not be any impact on the agency's appropriation.

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