

FISCAL NOTE
Requested by Legislative Council
01/10/2017

Bill/Resolution No.: HB 1196

- 1 A. **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.*

| | 2015-2017 Biennium | | 2017-2019 Biennium | | 2019-2021 Biennium | |
|-----------------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|
| | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
| Revenues | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Expenditures | \$0 | \$0 | \$0 | \$915,165 | \$0 | \$1,492,067 |
| Appropriations | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

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

| | 2015-2017 Biennium | 2017-2019 Biennium | 2019-2021 Biennium |
|-------------------------|--------------------|--------------------|--------------------|
| Counties | \$0 | \$0 | \$0 |
| Cities | \$0 | \$0 | \$0 |
| School Districts | \$0 | \$0 | \$0 |
| Townships | \$0 | \$0 | \$0 |

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

HB 1196 expands the expense categories for the Federal Interest Advance Repayment (FAIR) Account. The fund consists of interest & penalty funds collected by the Unemployment Insurance program. The bill does not create any new revenue or appropriation but allows additional expenditures from the fund.

- 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 bill provides for the usage of funds held within the FAIR account in the administration of the unemployment insurance program. The FAIR account consists of penalty & interest funds collected by Job Service North Dakota. This bill does not expand or create any new penalties or interest amounts. Currently, funds from the FAIR account may be used to pay expenses such as building purchase & lease costs, state fleet charges, and renovation & maintenance costs. HB 1196 provides Job Service the authority to expend funds from the FAIR account for additional purposes associated with the administration of the unemployment insurance program.

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.*

The bill will not result in any additional revenues. The changes associated with this bill do not provide for the receipt of additional revenues to the Federal Advance Interest Repayment account. As a result, penalty and interest funds collected are expected to remain at current levels.

- 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 expenditures noted represent the usage of the FAIR account on administrative costs associated with the unemployment insurance program. Expenditures will vary each year based upon federal funding received and will be used towards administrative items such as technology costs. There is no impact upon FTE accounts.

- 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 or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

There is no additional appropriation request associated with this bill. The changes to the bill remain consistent with current statutory language whereby funds held within the account are appropriated within the language of the bill for expenditure in relation to the items noted as allowable in the statutory language. Because the bill provides for additional allowable expenditure types, account expenditures will increase. Amounts expended each biennium will vary based upon the balance of the fund, the calculated minimum balance of the fund, and the level of federal funding received by Job Service.

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