

FISCAL NOTE
Requested by Legislative Council
03/09/2017

Revised

Bill/Resolution No.: HB 1436

- 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						
Expenditures		\$80,000	\$5,378,385	\$4,915,588	\$5,378,685	\$5,095,588
Appropriations			\$5,378,685	\$4,835,588	\$5,378,685	\$4,835,588

- 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		\$1,409,610	\$1,409,610
Cities		\$1,177,718	\$1,177,718
School Districts		\$715,761	\$715,761
Townships			

- 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).*

A bill to require the NDPERS Health Plan to be self-insured instead of fully insured.

- 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.*

Section 5 of the bill required the NDPERS Health Plan be self-insured as of January 2018.

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.*

N/A

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.*

Expenditures are associated with consulting services to assist with the preparation, distribution, analysis, actuarial and other work efforts associated with a full bid process identified in the NDCC. Last time PERS used an actuarial/technical consultant and Pharmacy consultant. The cost for the actuarial/technical consultant was about \$200,000 and the pharmacy consultant approximately \$60,000. Since the proposed bid is less complex the actuarial/technical review is estimated at \$100,000 in 2017, for a total cost of \$160,000. The bid would start spring of 2017. A full bid would be required after four years in 2021 at an approximate cost of \$260,000.

PERS would request contingent appropriation authority and 2 FTE so a self-insured plan could be fully considered. PERS has included this in its budget request for the last full bid and the renewal in case the plan moved from fully insured to self insured. Requested dollars needed for this is \$428,139 per biennium.

A 2.00% premium increase would be needed to build the required contingency reserves required in NDCC 54-52.1-04.3. This would be \$25.36 per active contract per month (\$5,378,685 general fund and \$4,407,449 other funds).

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.*

The appropriations are not included in the executive budget. PERS would request contingent appropriation authority and 2 FTE so a self-insured plan could be fully implemented. PERS has included this in its budget request for the last full bid and the renewal in case the plan moved from fully insured to self-insured. Requested dollars needed for this is \$428,139 per biennium.

A 2.00% premium increase would be needed to build the required contingency reserves required in NDCC 54-52.1-04.3. This would be \$25.36 per active contract per month (\$5,378,685 general fund and \$4,407,449 other funds).

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Date Prepared: 03/13/2017

2017-2019 NDPERS Health Plan				\$25.36		
		Executive Budget				
		2017-2019	Monthly	15-17 Funding Adjustments		
	Department	FTE	Change	General	Other	Total
101	Office of the Governor	18.00	\$25.36	\$10,955.52	\$0.00	\$10,955.52
108	Office of the Secretary of State	33.00	\$25.36	\$19,477.34	\$607.78	\$20,085.12
110	Office of Management and Budget	119.00	\$25.36	\$59,543.70	\$12,884.46	\$72,428.16
112	Information Technology Department	349.30	\$25.36	\$37,995.88	\$174,602.07	\$212,597.95
117	Office of the State Auditor	53.80	\$25.36	\$24,847.16	\$7,897.67	\$32,744.83
120	Office of the State Treasurer	8.00	\$25.36	\$4,869.12	\$0.00	\$4,869.12
125	Office of the Attorney General	234.00	\$25.36	\$130,471.04	\$11,950.72	\$142,421.76
127	Office of the Sate Tax Commissioner	133.00	\$25.36	\$80,949.12	\$0.00	\$80,949.12
140	Office of Administrative Hearings	5.00	\$25.36	\$0.00	\$3,043.20	\$3,043.20
150	Legislative Assembly	141.00	\$25.36	\$85,818.24	\$0.00	\$85,818.24
160	Legislative Council	36.00	\$25.36	\$21,911.04	\$0.00	\$21,911.04
180	Judicial Branch	354.50	\$25.36	\$215,762.88	\$0.00	\$215,762.88
188	Legal Counsel of Indigents	40.00	\$25.36	\$23,756.17	\$589.43	\$24,345.60
190	Retirement and Investment Office	19.00	\$25.36	\$0.00	\$11,564.16	\$11,564.16
192	Public Employees Retirement System	34.50	\$25.36	\$0.00	\$20,998.08	\$20,998.08
201	Department of Public Instruction	97.75	\$25.36	\$18,363.76	\$41,130.80	\$59,494.56
226	Department of Trust Lands	32.00	\$25.36	\$13,635.20	\$5,841.28	\$19,476.48
250	State Library	29.75	\$25.36	\$0.00	\$18,107.04	\$18,107.04
252	School for the Deaf	45.61	\$25.36	\$10,708.81	\$17,051.26	\$27,760.07
253	N.D. Vision Services	29.50	\$25.36	\$7,835.33	\$10,119.55	\$17,954.88
270	Dept of Career and Technical Ed	25.50	\$25.36	\$6,574.83	\$8,945.49	\$15,520.32
215	ND University System	148.40	\$25.36	\$23,632.73	\$66,689.44	\$90,322.18
227	Bismarck State College	358.35	\$25.36	\$53,479.63	\$164,626.52	\$218,106.14
228	Lake Region State College	129.61	\$25.36	\$19,339.48	\$59,546.35	\$78,885.83
229	Williston State College	100.75	\$25.36	\$30,309.50	\$31,010.98	\$61,320.48
230	University of North Dakota	2218.07	\$25.36	\$753,055.07	\$596,951.06	\$1,350,006.12
232	UND Medical Center	435.75	\$25.36	\$87,297.91	\$177,916.97	\$265,214.88
235	North Dakota State University	1895.66	\$25.36	\$503,575.97	\$650,198.54	\$1,153,774.50
238	ND State College of Science	345.04	\$25.36	\$102,049.69	\$107,955.45	\$210,005.15
239	Dickinson State University	168.90	\$25.36	\$48,067.98	\$54,731.32	\$102,799.30
240	Mayville State University	210.53	\$25.36	\$128,136.98	\$0.00	\$128,136.98
241	Minot State University	441.65	\$25.36	\$234,715.38	\$34,090.48	\$268,805.86
242	Valley City State University	202.75	\$25.36	\$119,816.19	\$3,585.57	\$123,401.76
243	Dakota College Bottineau	84.30	\$25.36	\$51,265.80	\$42.55	\$51,308.35
244	ND Forest Service	27.00	\$25.36	\$16,433.28	\$0.00	\$16,433.28
301	North Dakota Department of Health	381.00	\$25.36	\$119,912.07	\$111,979.77	\$231,891.84
305	Tobacco Prevention	0.00	\$25.36	\$0.00	\$0.00	\$0.00
313	Veterans Home	120.72	\$25.36	\$25,059.07	\$48,415.95	\$73,475.02
316	Indian Affairs Commission	4.00	\$25.36	\$2,434.56	\$0.00	\$2,434.56
321	Department of Veterans Affairs	9.00	\$25.36	\$4,755.78	\$721.98	\$5,477.76
325	Department of Human Services	2204.23	\$25.36	\$1,125,622.74	\$215,959.80	\$1,341,582.55
360	Protection and Advocacy Project	27.50	\$25.36	\$16,737.60	\$0.00	\$16,737.60
380	Job Service North Dakota	181.61	\$25.36	\$740.56	\$109,794.55	\$110,535.11
401	Office of the Insurance Commissioner	47.00	\$25.36	\$0.00	\$28,606.08	\$28,606.08
405	Industrial Commission	105.25	\$25.36	\$60,219.80	\$3,839.56	\$64,059.36
406	Office of the Labor Commissioner	14.00	\$25.36	\$8,520.96	\$0.00	\$8,520.96
408	Public Service Commission	45.00	\$25.36	\$16,634.87	\$10,753.93	\$27,388.80
412	Aeronautics Commission	7.00	\$25.36	\$0.00	\$4,260.48	\$4,260.48
413	Department of Financial Institutions	30.00	\$25.36	\$0.00	\$18,259.20	\$18,259.20
414	Office of the Securities Commissioner	9.00	\$25.36	\$0.00	\$5,477.76	\$5,477.76
471	Bank of North Dakota	41.50	\$25.36	\$0.00	\$110,468.16	\$110,468.16
473	North Dakota Housing Finance Agency	46.00	\$25.36	\$0.00	\$27,997.44	\$27,997.44
475	North Dakota Mill & Elevator Association	153.00	\$25.36	\$0.00	\$93,121.92	\$93,121.92
485	Workforce Safety & Insurance	260.14	\$25.36	\$0.00	\$158,331.61	\$158,331.61
504	Highway Patrol	206.00	\$25.36	\$100,199.54	\$25,180.30	\$125,379.84
530	Department of Corrections and Rehabilitation	846.29	\$25.36	\$481,841.33	\$33,244.62	\$515,085.95
540	Adjutant General	234.00	\$25.36	\$57,125.43	\$85,296.33	\$142,421.76
601	Department of Commerce	66.40	\$25.36	\$31,642.20	\$8,771.49	\$40,413.70
602	Department of Agriculture	75.00	\$25.36	\$25,083.36	\$20,564.64	\$45,648.00
627	Upper Great Plains Transportation Institute	43.88	\$25.36	\$6,722.62	\$19,984.50	\$26,707.12
628	Branch Research Centers	110.29	\$25.36	\$49,012.10	\$18,114.80	\$67,126.91
630	NDSU Extension Service	252.98	\$25.36	\$78,462.69	\$75,511.06	\$153,973.75
638	Northern Crops Institute	11.80	\$25.36	\$6,069.46	\$1,112.49	\$7,181.95
640	NDSU Main Research Center	336.12	\$25.36	\$132,042.32	\$72,533.75	\$204,576.08
649	Agronomy Seed Farm	3.00	\$25.36	\$0.00	\$1,825.92	\$1,825.92
670	Racing Commission	2.00	\$25.36	\$1,217.28	\$0.00	\$1,217.28
701	State Historical Society	77.00	\$25.36	\$42,856.64	\$4,008.64	\$46,865.28
709	Council on the Arts	5.00	\$25.36	\$3,043.20	\$0.00	\$3,043.20
720	Game & Fish Department	163.00	\$25.36	\$0.00	\$99,208.32	\$99,208.32
750	Department of Parks & Recreation	65.00	\$25.36	\$38,077.75	\$1,483.85	\$39,561.60
770	State Water Commission	96.00	\$25.36	\$0.00	\$58,429.44	\$58,429.44
801	Department Of Transportation	1054.01	\$25.36	\$0.00	\$641,512.65	\$641,512.65
	State Total	16078.69	\$25.36	\$5,378,685	\$4,407,449	\$9,786,134