

FISCAL NOTE
Requested by Legislative Council
01/10/2017

Bill/Resolution No.: HB 1230

- 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 | \$9,024 | \$0 | \$0 |
| 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 1230 changes the calculation of duration of unemployment insurance benefits from 12-26 weeks to a straight 16 weeks. The change will not result in any additional revenue or appropriation. However, the change will result in a reduction in benefits paid from the unemployment insurance trust 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 changes the existing claim duration calculation for individuals receiving unemployment insurance benefits. The bill does not provide for any additional revenues and does not result in an appropriation request. There are two primary fiscal impacts; 1) impact upon unemployment insurance benefits paid from the unemployment insurance trust fund and, 2) an impact upon claimants receiving unemployment insurance benefits who may see a change in the maximum duration of their claim. Using an average of the prior four years data, it is expected that the trust fund will see a reduction in benefits paid of between \$3 and \$5 million dollars. The same data identified that 16,897 claimants would have seen no impact upon their claim duration, 5,627 would have seen an increase in their claim duration of between 2 and 4 weeks and 4,042 would have seen an decrease in their claim duration of between 2 and 10 weeks.

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.*

No additional revenues are expected as a result of this bill.

- 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 noted relates to the technology costs associated with making the change to the various technology systems used to administer the unemployment insurance program. Mainframe changes as well as internet-based changes will be required and will result in the expenditure of \$9,024.

- 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.*

No appropriation is noted.

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