

(Prepare in triplicate)

FISCAL NOTE

Prepared in regard to:

Section 6 House bill 531
(list bill or resolution and number, if available, or subject
Amentment to: Section 65-04-30 lines 182-190
(list bill or resolution and number)

REQUESTED BY: L. R. C. DATE OF RECEIPT January 6 19 67

In the following space note the fiscal effect in dollars of the legislative proposal. If additional space is needed attach a supplementary sheet. Please type.

This bill, if passed, effective July 1, 1967 would necessitate an additional expenditure for the biennium of approximately \$8,500.00 as covered on the attached cost analysis sheets.

Date of preparation: January 9, 1967

Signed

Workmen's Compensation
Bureau

By

Agnes Eccles

NORTH DAKOTA WORKMEN'S COMPENSATION BUREAU

COST ANALYSIS

CHECKWRITING

Compensation checks written daily, pension checks written every 4 weeks, medial checks written at end of month, miscellaneous checks written daily.

PRESENT SYSTEM

Bookkeeping and check writing in one operation.*

Check writing, bookkeeping and mailing. 84 Hours

TOTAL COST
MONTHLY

\$238.84

TO ACCOUNTS & PURCHASES

Key punching and up dating cards, up dating balances on tape-bookkeeping, addressing envelopes, preparation of authorization sheets, preparation of data now on check stubs.

TOTAL COST
MONTHLY

\$578.30

PRESENT SYSTEM
MONTHLY COST

\$238.84

ADDITIONAL MONTHLY
COST

\$339.46

PLUS

First time expense
setting up system
30 hours & material

\$331.16

* Present plans to use data processing-attach key punch machine to check writing-bookkeeping machine.

PRESENT SYSTEM :

APPROX HOURS

APPROX COST

a. Writing Pension Checks with bookkeeping done simultaneously.....	20 hrs	\$ 38.00
b. Writing Medicals and Misc. Medicals with bookkeeping done simultaneously.....	6 hrs	11.40
1. Computer time for itemizing statements & register.....		20.00
c. Writing Compensation checks with bookkeeping done simultaneously.....	21 hrs	39.90
d. Writing misc. checks, for example: refunds, Legal, 3rd party, overpayment of premium, etc.	5 hrs	9.50
e. Cost of checks.....		63.00
f. Time for signing checks and checking.....	20 hrs	33.40
g. Time for insertion in envelopes for mailing.....	12 hrs	23.64
 Total monthly cost of present system- - - - -	 <hr/> 84 hrs	 <hr/> \$ 238.84

- COST ANALYSIS -
(continued)

PROPOSED SYSTEM :

Herewith listed is first time expense needed to make writing of pension checks feasible by accounts and purchases dept.

	APPROX HOURS	APPROX COST
1. Four reels of magnetic tape.....		\$ 80.00
2. Electroplate for pension card....		45.00
3. One carton pension cards.....		11.50
4. Key punch time for punching pension cards.....	8 hrs	16.96
5. Systems & programming time for card to tape program.....	4 hrs	13.84
6. Systems & programming time for three needed programs.....	16 hrs	55.36
a. update & listing program		
b. update reserve balance program		
c. listing for actuarial purposes		
7. Assembly and test time on Computer		<u>70.00</u>
	28 hrs	\$ <u>292.66</u>

Writing Pension Checks

	APPROX HOURS	APPROX COST
1. Key punch update cards.....	3 hrs	\$ 6.36
2. Update and listing needed for Accts & Pur. Computer time.....	10 min.	7.50
3. Update on reserve balances on tape Computer time.....	10 min.	7.50
4. Time sorting, making control cards, taking downstairs etc.....	1 hr	3.46
5. Manually addressing all pension checks and insertion into envelopes.....	18 hrs	36.20
6. Bookkeeping needed as to breakdown of pensions	1 hr	1.90
7. Time for checking for updating, checking dependency, reserve balances, setting up additional reserves.....	15 hrs	28.50

Writing Medicals and Misc. Medicals

Herewith listed is first time expense to have accts and pur. dept. write medical checks

Alter existing programs.....	2 hrs	\$ 7.00
re-assemble and test on computer.....		20.00
carton IBM cards.....		<u>11.50</u>
	2 hrs	\$ <u>38.50</u>

1. Computer time for itemizing medicals and register.....		20.00
---	--	-------

	APPROX HOURS	APPROX COST
Writing Medicals and Misc. Medicals (continued)		
2. Time of insertion into envelopes.....	1:30 hrs	\$ 2.56
3. On misc medicals, the time on typing a voucher for each misc medical and to have signed.....	5 hrs	9.50
4. Insertion time into envelopes.....	1 hr	1.97
Writing Compensation Checks		
1. Run a batch tape on total of comp. awards to be paid each day and type authorization sheet for accts. and pur.....	21 hrs	39.90
2. Time of insertion into envelopes.....	10 hrs.	19.70
3. Time needed for breakdown for bookkeeping.....	6 hrs.	11.40
Writing Misc. checks, for example, refunds, overpayment of premium refunds, legal, 3rd party and etc.....		
1. Time of preparing individual vouchers for each misc. check to be written.....	3 hrs	5.70
2. Time for preparing a statement to include with check as no stub received with check.....	5 hrs	9.50
3. Insertion time into envelopes.....	30 min.	.95
4. Time for bookkeeping needed for proper breakdown needed.....	3 hrs	5.70
Rental of another keypunch and one verifier.....		
Monthly rental.....		110.00
Wages for additional keypunch operator needed....		250.00

Total monthly cost of proposed system- -94:20 hrs \$ 578.30

Total monthly cost of present system- - 84:00 hrs \$ 238.84

Additional monthly expense if under proposed system- - - - - \$ 339.46

Plus expense for setting up proposed system - - \$ 331.16