

FISCAL NOTE

(Return original and 10 copies)

Bill/Resolution No.: HB 1378 Amendment to: _____

Requested by Legislative Council Date of Request: 1-21-97

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts.

Narrative:

The fiscal impact of this bill would be in direct relation to the number of agencies, their size, and current human resource staffing who would choose to opt out this biennium. If no one opted out, there would be no fiscal impact other than the costs of an independent personnel systems board. The figures shown below assume five agencies withdrawing.

2. State fiscal effect in dollar amounts:

	<u>1995-97</u> <u>Biennium</u>		<u>1997-99</u> <u>Biennium</u>		<u>1999-2001</u> <u>Biennium</u>	
	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Funds</u>	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Funds</u>	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Funds</u>
Revenues:						
Expenditures:	---	---	\$742,032	---	\$779,134	---

3. What, if any, is the effect of this measure on the appropriation for your agency or department:

a. For the rest of the 1995-97 biennium: ---

b. For the 1997-99 biennium: ---

c. For the 1999-2001 biennium: ---

4. County, City, and School District fiscal effect in dollar amounts:

<u>1995-97</u> <u>Biennium</u>			<u>1997-99</u> <u>Biennium</u>			<u>1999-2001</u> <u>Biennium</u>		
<u>Counties</u>	<u>Cities</u>	<u>School</u> <u>Districts</u>	<u>Counties</u>	<u>Cities</u>	<u>School</u> <u>Districts</u>	<u>Counties</u>	<u>Cities</u>	<u>School</u> <u>District</u>

None

If additional space is needed, attach a supplemental sheet.

Date Prepared: 1/27/97

Signed 

Typed Name Dan LeRoy

Department Central Personnel Division

Phone Number 328-4735

Fiscal Note HB 1378

INDEPENDENT PERSONNEL SYSTEMS BOARD

1. Consulting Fees \$210,000

During the 1997-99 biennium, we assume three agencies under the Governor's control, one board, and one elected official agency:

Agency with 1,050 employees:	\$70,000
Agency with 306 employees:	\$35,000
Agency with 244 employees:	\$35,000
Agency with 126 employees:	\$35,000
Agency with 85 employees:	\$35,000

Consulting fees are based upon the recent expenses of the Workers Compensation Bureau whose bids range from \$35,000 to over \$68,000 for an agency of 150 employees. These costs are for preparation of job description guidelines, range development, policy manual, employee handbook, and initial wage surveys.

2. Salaries and Benefits of New Professional Human Resource Staff. \$424,320

Nationally, there is a ratio of one human resource professional to 111 employees. North Dakota state government currently has a ratio of 1 to 161. Under the new system requirements for the Workers Compensation Bureau, the staffing ratio is 1 human resource staff to 50 employees. Assuming an economy of scale, increased costs for staffing are estimated at a 1 to 100 ratio.

Agency with 1050 employees requires 5 new HR staff:	\$212,160
Agency with 306 employees requires 2 new HR staff:	84,864
Agency with 244 employees requires 1 new HR staff:	42,432
Agency with 126 employees requires 1 new HR staff:	42,432
Agency with 85 employees requires 1 new HR staff:	42,432

Salaries and benefits for an additional 10 staff is figured using a midway point between Personnel Officer II and Personnel Officer III and a 30 percent benefit cost.

3. Operating expenses. \$107,712
Operating expenses are included at 33 percent of base salaries.

ESTIMATED COST FOR THE 1997-99 BIENNIUM	\$742,032
ESTIMATED COST FOR THE 99-01 BIENNIUM (97-99 + 5%)	\$779,134

Note: These expenses do not include operational expenses for staff time to fit current job descriptions into new structures or staff time required for input to policy and communication with staff on new procedures. This does not include the \$150,000 appropriation for independent personnel systems board.