

FISCAL NOTE

(Return original and 13 copies)

Bill/Resolution No.: HB 1440 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:

(see attached)

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:	-0-	-0-	-0-	-0-	-0-	-0-
Expenditures:	-0-	-0-	-0-	\$103,540	-0-	\$103,540

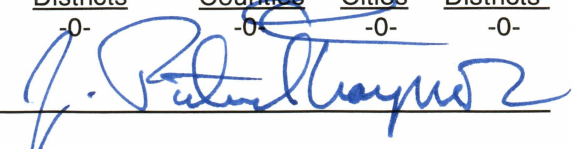
3. What, if any, is the effect of this measure on the appropriation for your agency or department:

- a. For rest of 1995-97 biennium: none
- b. For the 1997-99 biennium: \$103,540 increase in Operating Expenses
- c. For the 1999-2001 biennium: \$103,540 increase in Operating Expenses

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>Districts</u>
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

If additional space is needed, attach a supplemental sheet.

Signed 

Typed Name J. Patrick Traynor

Date Prepared: 1/24/97

Department Workers Compensation Bureau

Phone Number (701) 328-3856

NORTH DAKOTA WORKERS COMPENSATION BUREAU
1997 LEGISLATION
SUMMARY OF ACTUARIAL INFORMATION

BILL DESCRIPTION: Board of Directors

BILL NO: HB 1440

SUMMARY OF ACTUARIAL INFORMATION: The Workers Compensation Bureau, together with its Actuary, Glenn Evans of Pacific Actuarial Consultants, have reviewed the legislation proposed in this bill in concordance with Section 54-03-25 of the North Dakota Century Code.

The proposed legislation will establish a board of directors, outline the board's duties and provide for compensation for its members. In addition, the bill would require a biennial, independent performance audit of all Workers Compensation Bureau operations. The proposed changes would also allow the Bureau to formulate a "target achievement budget" rather than the current method.

SUMMARY OF APPROPRIATION INFORMATION: The Workers Compensation Bureau has included in its 1997/99 appropriation request, an amount sufficient to reimburse proposed board members for their travel expenses related to board meetings because an amount of \$3,200 was already budgeted for the 14 existing Advisory Council members (four scheduled meetings). The assumption is the Board of Directors, though only seven members, will meet quarterly (double the current level). Thus, no change is needed. Compensation expenses will total \$3,540 and are not contemplated in the 1997/99 budget request.

We envision the cost of the performance audit conducted biennially will not exceed \$100,000 per biennium. These costs were not included in the 1997/99 budget request.

FISCAL IMPACT: We anticipate little or no impact to reserve or rate levels. Additional administrative expenses would require a \$103,540 total increase to the Workers Compensation Bureau's appropriation. It is anticipated the benefits received from the independent audit will more than offset the costs incurred for performing the audit. The independent audit will serve to identify areas for improvement in providing the best possible service at the lowest possible cost.