

**FISCAL NOTE**

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Bill/Resolution No.: \_\_\_\_\_ Amendment to: Eng. HB 1089

Requested by Legislative Council \_\_\_\_\_ Date of Request: 2-17-99

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:

	1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
	General Fund	Special Funds	General Fund	Special Funds	General Fund	Special Funds
Revenues:	0	0	0	654,000	0	327,000
Expenditures:	0	0	0	600,000	0	Unknown

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

- a. For rest of 1997-99 biennium: 0
- b. For the 1999-2001 biennium: 600,000
- c. For the 2001-03 biennium: Unknown

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

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
0	0	0	0	0	0	0	0	0

If additional space is needed, attach a supplemental sheet.

Signed *Wayne G. Kindem*

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Date Prepared: 2/18/99

ATTACHMENT TO AMENDED HB 1089  
FISCAL NOTE NARRATIVE

HB1089 amends the NDCC as required by changes to Federal Law concerning distribution of Reed Act funds to North Dakota's Unemployment Trust Fund Account. The Federal Law change restricts usage of Reed Act distributions in Federal Fiscal Years 2000, 2001, and 2002 to only expenses incurred for administration of the states Unemployment Compensation Law. It is unknown if any Reed Act distribution will occur during these years. However, for purposes of the Fiscal Note it is assumed that the maximum distribution will occur in each of the three years. The maximum distribution for North Dakota is estimated at \$327,000 per year for FFY 2000, 2001, and 2002.

Section 4, added by the House of Representatives, establishes a fund which will hold any Reed Act distributions and appropriates \$300,000 for each year in which average duration of unemployment insurance benefits is at least one week less than the preceding year. For purposes of the Fiscal Note it is assumed the duration reduction is achieved.

The House of Representatives also added Section 3 which prescribes the Job Service "99-01" biennium performance audit objectives. The extent of audit objectives is greater than the current biennium and it is anticipated that the performance audit will be more expensive due to this change. We are not able to estimate the amount of audit cost increase. The audit cost for the current biennium was \$94,850.