

FISCAL NOTE

(Return original and 10 copies)

Bill/Resolution No.: _____ Amendment to: Eng. HB 1325

Requested by Legislative Council _____ Date of Request: 3-8-99

- 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:

Expenditures:

- 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: _____
- b. For the 1999-2001 biennium: _____
- c. For the 2001-03 biennium: _____

- 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

If additional space is needed, attach a supplemental sheet.

Signed J. Patrick Traynor

Typed Name J. Patrick Traynor

Department Workers Compensation Bureau

Phone Number 328-3856

Date Prepared: 3-8-99

NORTH DAKOTA WORKERS COMPENSATION BUREAU
1999 LEGISLATION
SUMMARY OF ACTUARIAL INFORMATION

BILL DESCRIPTION: **Workers' Adviser Program; Independent Performance Audit**

BILL NO: EHB 1325

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

The bill removes the sunset clause from the law creating the Workers' Adviser Program; provides additional funding to expand the program; changes the name to "Office of Independent Review"; and protects the confidentiality of the program's files.

The bill clarifies that a firm with workers compensation expertise selected to conduct the biennial independent performance audit cannot be construed to mean a CPA firm; changes the name of the independent performance audit to independent performance evaluation; and provides a continuing appropriation for the audit to ensure competitive bidding without a legislatively established "cost floor".

FISCAL IMPACT: Not quantifiable. The bill will increase the funding to administer the Office of Independent Review by approximately \$300,000 per biennium. Total biennial costs for this program are projected to be \$440,000. The increase in expenses can be contained within the current rating structure. The bill will serve to improve and expedite the service provided by the Office of Independent Review reducing unnecessary legal and return to work costs associated with dispute resolution delays.

It is also anticipated that the cost of the audit may be reduced by providing a continuing appropriation for the independent biennial performance audit to ensure a more competitive bid process.

AMENDMENT: The proposed amendment directs the Office of Independent Review to provide assistance to workers, upon request, in cases of constructive denial or after a vocational consultant's report has been issued.

The proposed amendment will result in no significant change to the fiscal impact of the engrossed bill.

DATE: 3-2-99