

FISCAL NOTE

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Bill/Resolution No.: _____ Amendment to: SB 2404

Requested by Legislative Council _____ Date of Request: 2-12-99

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 attachment)

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 | 2,163,000 | 0 | 3,624,000 |
| Expenditures: | 0 | 0 | 0 | 1,110,000 | 0 | 1,420,000 |

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: 1,963,100
- 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 | | | 194,600 | | | 331,600 | |

If additional space is needed, attach a supplemental sheet.

Signed *Wayne G. Kindem*

Typed Name Wayne G. Kindem

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Date Prepared: 2-15-99

Attachment
SB 2404 Amended
Fiscal Note Narrative

The amendments specify annual collection of the Workforce Training Investment fee. The initial Fiscal Note was calculated assuming quarterly collection. This change reduces the estimated administrative cost by \$25,000 in the 1999-2001 biennium and \$30,000 in the 2001-2003 biennium. This change also reduces the anticipated fee revenue in the 1999-2001 biennium by \$482,000 since seven quarters of revenue would be received in the 1999-2001 biennium with quarterly collection while only six quarters would be collected with annual collection.

The amendments remove the authority to obtain a loan to provide initial funds for cash flow purposes until sufficient fees are collected to support the program. This amendment would remove the source of funding to establish the fee collection system, initiate the first assessment of the fee, and finance the Higher Education initial and ongoing investment in the four two-year campuses workforce training division's infrastructure including staffing, operating costs, and equipment. Job Service and Higher Education need borrowing authority or an appropriation to begin the fee collection and program delivery infrastructure as envisioned by SB 2404. Job Service and Higher Education have no current source of providing the initial funding.

The amendments add language directing that the fee be assessed to "taxable wages" reported by "reimbursing" employers in addition to "tax-rated" employers. This change increases estimated fee revenue by \$558,000 in the 1999-2001 biennium and \$951,000 in the 2001-2003 biennium.

The increases are attributable to adding reimbursable employers. The portion of increase attributable to local government (school districts, county and city) reimbursable employers is \$194,600 for the 1999-2001 biennium and \$331,600 for the 2001-2003 biennium. The portion attributable to state government is \$144,700 for the 1999-2001 biennium and \$246,600 for the 2001-2003 biennium.

If the amendments were adopted, the total estimated revenues for the 1999-2001 biennium are \$2,163,000 and \$3,624,000 for the 2001-2003 biennium. Total estimated expenditures for the 1999-2001 biennium are \$1,110,000 (JSND \$110,000 - Higher Education \$1,000,000) and \$1,420,000 (JSND \$70,000 and Higher Education \$1,350,000).