

FISCAL NOTE
Requested by Legislative Council
01/22/2013

Bill/Resolution No.: HB 1462

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures				\$80,640		
Appropriations						

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Financial impacts of HB 1462 - Computer programming: \$80,640. Further detail is provided within part 2B of this fiscal note.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Two financial impacts arise as a result of the language within HB 1462: 1) Computer programming charges of \$80,640. The change to computer programming relates to the reprogramming of the rate assignment programs, creation of a new dataset to store reserves for construction industries, reprogramming of the rate notice program, reprogramming of the rate schedule, creation of experience rate listings, reprogramming of the rate projection program, reprogramming of multiple web services and the updating system documentation. 2) Costs associated with modifying existing system requirements to incorporate changes associated with the passage of this bill and the effect of these changes on vendor quotes received for the build phase of our UI software modernization consortium project. The actual cost impact to our system modernization effort of the changes proposed in this bill are not known at this time, however, they could be significant. North Dakota is key participant in a federally funded replacement of our outdated, mainframe-based UI technology system. As one member of a four member state partnership with Colorado, Wyoming and Arizona, significant requirements identification and initial design work has taken place over a three year period. The culmination of this work has resulted in an RFP and subsequent vendor responses to the RFP offering programming services based upon the design provided. We are currently in the intent to award stage of the project. Changes to the design of the North Dakota tax rating system at this time will result in changes to the requirements and subsequent design of the project and will very likely result in additional charges as a result of an immediate project change order. The amount of the cost increase is unknown at this time, but could be significant and will impact not only North Dakota but three other states."

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

None

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

\$80,640 to reprogram the Job Service legacy UI technology systems.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

No appropriation for these changes has been requested, however, Job Service does not have funding to complete the noted changes. Additional federal funds to pay the associated programming expenses does not exist and cannot be expected.

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Date Prepared: 01/24/2013