

FISCAL NOTE
Requested by Legislative Council
01/14/2019

Bill/Resolution No.: HB 1419

- 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.*

	2017-2019 Biennium		2019-2021 Biennium		2021-2023 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$54,345,067	\$106,893,335	\$54,345,067	\$106,883,335
Appropriations	\$0	\$0	\$54,345,067	\$106,853,335	\$54,345,067	\$106,853,335

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

	2017-2019 Biennium	2019-2021 Biennium	2021-2023 Biennium
Counties	\$0	\$45,385,499	\$45,385,499
Cities	\$0	\$27,625,574	\$27,625,574
School Districts	\$0	\$53,397,692	\$53,397,692
Townships	\$0	\$0	\$0

- 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).*

The bill closes the defined benefit retirement plan in 2025; provides for an estimate of accumulated value transfer to the defined contribution plan; provides a \$20M annual transfer from the strategic investment and improvements fund.

- 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.*

The bill provides a \$20M annual transfer from the strategic investment and improvements fund. Funding includes 2 full-time temporary positions to provide transfer calculations for members and actuarial fees to run estimates. Retirement consultant GRS estimates a contribution increase of 12.22% is needed to fund the defined benefit retirement plan.

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.*

N/A

- 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.*

The bill provides a \$20M annual transfer from the strategic investment and improvements fund. Funding includes 2 full-time temporary positions to provide transfer calculations for members and actuarial fees to run estimates. Expenditures are \$306,292 in 2019-2021 and \$296,292 in 2021-2013. Retirement consultant GRS estimates a contribution increase of 12.22% is needed to fund the defined benefit retirement plan.

- 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 or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

The bill provides a \$20M annual transfer from the strategic investment and improvements fund.

Funding includes 2 full-time temporary positions to provide transfer calculations for members. Appropriations are \$266,292 in 2019-2021 and \$266,292 in 2021-2023.

Retirement consultant GRS estimates a contribution increase of 12.22% is needed to fund the defined benefit retirement plan. Attached is the agency cost for the main system contribution increase.

The provisions of this bill are not in the executive budget.

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Date Prepared: 01/20/2019

Department	19-21 Funding Adjustments		Total
	General	Other	
101 Office of the Governor	\$239,941.17	\$0.00	\$239,941.17
108 Office of the Secretary of State	\$272,083.05	\$17,172.42	\$289,255.47
110 Office of Management and Budget	\$1,177,785.56	\$249,076.35	\$1,426,861.92
112 Information Technology Department	\$650,587.93	\$5,378,071.35	\$6,028,659.28
117 Office of the State Auditor	\$615,319.92	\$216,891.50	\$832,211.42
120 Office of the State Treasurer	\$87,205.71	\$0.00	\$87,205.71
125 Office of the Attorney General	\$1,546,634.92	\$516,143.72	\$2,062,778.65
127 Office of the State Tax Commissioner	\$1,608,205.28	\$0.00	\$1,608,205.28
140 Office of Administrative Hearings	\$0.00	\$83,145.34	\$83,145.34
150 Legislative Assembly	\$0.00	\$0.00	\$0.00
160 Legislative Council	\$568,050.46	\$0.00	\$568,050.46
180 Judicial Branch	\$3,802,567.42	\$89,369.81	\$3,891,937.23
188 Legal Counsel of Indigents	\$481,977.06	\$13,622.61	\$495,599.67
190 Retirement and Investment Office	\$0.00	\$330,620.87	\$330,620.87
192 Public Employees Retirement System	\$0.00	\$384,323.00	\$384,323.00
201 Department of Public Instruction	\$381,550.21	\$747,435.64	\$1,128,985.85
215 ND University System	\$1,529,144.31	\$738,941.43	\$2,268,085.74
226 Department of Trust Lands	\$0.00	\$367,974.75	\$367,974.75
227 Bismarck State College	\$366,052.81	\$486,108.98	\$852,161.79
228 Lake Region State College	\$160,301.27	\$184,192.38	\$344,493.65
229 Williston State College	\$108,068.69	\$150,342.98	\$258,411.67
230 University of North Dakota	\$1,884,098.58	\$5,327,105.71	\$7,211,204.29
232 UND Medical Center	\$3,056,844.46	\$4,787,353.66	\$7,844,198.12
235 North Dakota State University	\$1,358,419.23	\$3,532,405.94	\$4,890,825.17
238 ND State College of Science	\$506,520.22	\$494,143.90	\$1,000,664.12
239 Dickinson State University	\$244,548.38	\$256,800.21	\$501,348.60
240 Mayville State University	\$219,022.74	\$331,994.47	\$551,017.21
241 Minot State University	\$369,287.69	\$449,303.16	\$818,590.85
242 Valley City State University	\$203,557.87	\$145,498.22	\$349,056.08
243 Dakota College Bottineau	\$85,852.71	\$70,955.13	\$156,807.83
244 ND Forest Service	\$267,544.22	\$0.00	\$267,544.22
250 State Library	\$210,160.45	\$25,931.78	\$236,092.23
252 School for the Deaf	\$404,583.32	\$23,518.04	\$428,101.37
253 N.D. Vision Services	\$276,035.09	\$10,279.51	\$286,314.60
270 Dept of Career and Technical Ed	\$631,313.55	\$0.98	\$631,314.53
301 North Dakota Department of Health	\$1,134,558.14	\$1,208,030.89	\$2,342,589.03
303 Department of Environmental Quality	\$626,447.17	\$1,213,614.37	\$1,840,061.54
313 Veterans Home	\$958,441.88	\$44,713.29	\$1,003,155.17
316 Indian Affairs Commission	\$54,298.13	\$0.00	\$54,298.13
321 Department of Veterans Affairs	\$62,828.98	\$13,055.11	\$75,884.09
325 Department of Human Services	\$11,860,814.37	\$9,450,695.23	\$21,311,509.59
360 Protection and Advocacy Project	\$363,612.67	\$0.00	\$363,612.67
380 Job Service North Dakota	\$2,893.86	\$1,583,143.48	\$1,586,037.34
401 Office of the Insurance Commissioner	\$0.00	\$525,341.83	\$525,341.83
405 Industrial Commission	\$1,368,961.01	\$86,555.46	\$1,455,516.47
406 Office of the Labor Commissioner	\$156,301.28	\$0.00	\$156,301.28
408 Public Service Commission	\$363,513.51	\$240,505.26	\$604,018.78
412 Aeronautics Commission	\$0.00	\$98,932.78	\$98,932.78
413 Department of Financial Institutions	\$0.00	\$464,597.31	\$464,597.31
414 Office of the Securities Commissioner	\$140,967.05	\$0.00	\$140,967.05
471 Bank of North Dakota	\$0.00	\$2,308,630.32	\$2,308,630.32
473 North Dakota Housing Finance Agency	\$0.00	\$540,823.44	\$540,823.44
475 North Dakota Mill & Elevator Association	\$0.00	\$2,523,928.64	\$2,523,928.64
485 Workforce Safety & Insurance	\$0.00	\$2,846,532.70	\$2,846,532.70
504 Highway Patrol	\$511,732.92	\$171,497.40	\$683,230.31
530 Department of Corrections and Rehabilitation	\$8,960,434.21	\$442,632.07	\$9,403,066.28
540 Adjutant General	\$855,732.34	\$1,308,005.38	\$2,163,737.72
601 Department of Commerce	\$670,293.41	\$183,489.95	\$853,783.36
602 Department of Agriculture	\$407,749.91	\$346,681.36	\$754,431.27
627 Upper Great Plains Transportation Institute	\$64,709.57	\$113,938.55	\$178,648.12
628 Branch Research Centers	\$319,063.62	\$120,228.30	\$439,291.92
630 NDSU Extension Service	\$301,551.88	\$264,544.69	\$566,096.57
638 Northern Crops Institute	\$12,329.78	\$5,192.14	\$17,521.92
640 NDSU Main Research Center	\$344,886.77	\$215,498.18	\$560,384.94
649 Agronomy Seed Farm	\$0.00	\$34,078.13	\$34,078.13
670 Racing Commission	\$24,184.98	\$2,029.49	\$26,214.47
701 State Historical Society	\$732,097.45	\$60,607.42	\$792,704.86
709 Council on the Arts	\$59,823.75	\$0.98	\$59,824.72
720 Game & Fish Department	\$0.00	\$2,044,141.16	\$2,044,141.16
750 Department of Parks & Recreation	\$673,574.41	\$38,394.51	\$711,968.91
770 State Water Commission	\$0.00	\$1,205,004.12	\$1,205,004.12
801 Department Of Transportation	\$0.00	\$11,473,255.47	\$11,473,255.47
State Total	\$54,345,067.33	\$66,587,043.24	\$120,932,110.57