

FISCAL NOTE
SENATE BILL NO. 2337
LC# 23.0554.01000
01/23/2023

1 - 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.

	2021-2023 Biennium		2023-2025 Biennium		2025-2027 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$5,768,000		\$4,668,000	
Appropriations			\$5,768,000		\$4,668,000	

2 - County, City, School District, and Township Fiscal Effect

Identify the fiscal effect on the appropriate political subdivision.

	2021-2023 Biennium	2023-2025 Biennium	2025-2027 Biennium
Counties			
Cities			
School Districts			
Townships			

3 - Bill and Fiscal Impact Summary

Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).

This bill requires OMB to provide administrative services to all occupational and professional boards.

4 - Fiscal Impact Sections Detail

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.

Section 1 of the bill provides an exception, for the funds of occupational and professional boards, to the requirement that all state funds be deposited with the Bank of North Dakota (BND). BND does not expect a fiscal impact to the bank.

Section 2 of the bill requires the Office of Management and Budget to provide administrative services to occupational and professional boards, including licensure application processing, documentation and auditing of continuing education, budgeting and financial services, human resources services, procurement services, records

management services, and the coordination of information technology services.

There are 46 boards and commissions that appear to fall within the scope of this bill. There are approximately 124 FTE within these entities.

We are unsure the volume of licensure applications, continuing education documents, or the volume of financial transactions.

5 - Revenues Detail

For information shown under state fiscal effect in 1 or 2, please explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

6 - Expenditures Detail

For information shown under state fiscal effect in 1 or 2, please explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

For licensure application processing, OMB would likely need to procure an IT system capable of managing this process and the documentation. We are unsure of the cost but estimate \$1 million. We are unsure the number of positions necessary to deal with the licensure requirements of 46 separate entities but estimate at least 2 FTE would be required by OMB.

For the documentation and auditing of continuing education, we are also unsure of the volume of activity and staffing resources necessary to perform this function for all 46 boards and commissions but estimate 2 FTE.

For budgeting and financial services, we are unsure of the volume of financial transactions, but estimate at least 2 FTE would be required. The fiscal operations of all 46 boards and commissions would need to be incorporated into the state PeopleSoft system. It is likely this change would require incorporating the fiscal transactions of these 46 boards and commissions into the statewide annual comprehensive fiscal report (ACFR) for financial reporting purposes. This would likely require an additional FTE in our financial reporting team.

For HR and payroll, we estimate 2 FTE; one for HR support and one dedicated to payroll administration.

For records management, NDIT estimates no additional FTE but \$50,000 for records management fees.

For information technology, NDIT estimates implementation costs of \$500,000 for ServiceNow and 2 FTE to provide technology system support. For hosting and data storage, NDIT estimates \$150,000 and no additional FTE. For desktop support, security, and other IT support services, an additional 2 FTE. For software licensing and other services, an additional \$494,000.

Not all required positions would be at the same classification and grade level. However, for the purposes of this fiscal estimate, we are assuming an average salary of \$6,000 per month for the variety of positions that would be required for this level of support. With benefits for a full biennium, this would equate to \$201,600 per biennium, per FTE.

We estimate an additional 9 FTE positions would be required in OMB and an additional 6 FTE positions would be required in NDIT to support the 46 separate boards and commissions covered in this bill.

7 - Appropriations Detail

For information shown under state fiscal effect in 1 or 2, please 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.

There is no provision in the bill to charge the boards and commissions for the services provided, so all costs are assumed to be general fund expenditures.

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Date Prepared: 01/23/2023