

FISCAL NOTE

Requested by Legislative Council
01/23/2001

Bill/Resolution No.: SB 2304

Amendment to:

1A. 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.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues		\$0	\$0	\$0	\$0	\$0
Expenditures		\$0	\$0	\$0	\$0	\$0
Appropriations		\$0	\$0	\$0	\$0	\$0

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

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$3,100	\$3,100	\$11,500	\$3,500	\$3,500	\$12,800

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

The bill will reduce the monetary requirements to qualify for unemployment insurance benefits. Consequently, more individuals will now be eligible for benefits. Current claimant monetary determination is based on the individual's base period wage ratio (total base period wages/highest quarter wages), of 1.50 or more. This bill changes the qualifying base period wage ratio to 1.0. This will increase the amount of benefits that will be paid from the Unemployment Insurance Trust Fund.

We estimate the increased benefits for the 2001-03 biennium to be \$1,077,000 and \$1,200,000 for the 2003-05 biennium. This estimate only reflects what can be determined from the data we have in our system. Therefore, we expect the full impact of the change to be greater, however, we cannot determine that amount. Our system only has records for those individuals that had completed an application for unemployment insurance. In many cases, when an individual is made aware that they are not monetarily eligible, they choose not to complete the application or in other cases, individuals are familiar with the program requirements and do not attempt to apply.

The projected additional cost to state entities is \$14,600 for the 2001-2003 biennium and \$16,300 for the 2003-2005 biennium. Unemployment insurance records do not differentiate an account's ownership as city or county, they are grouped together as "local government". Consequently, the additional costs can only be projected for "local government". The amounts for City and County in Section 1B are an even split of the projected increase for "local government".

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.*
- 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.*
- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Name: Wayne Kindem
Phone Number: 328-3033

Agency: Job Service North Dakota
Date 01/31/2001
Prepared: