

# FISCAL NOTE

Requested by Legislative Council  
01/02/2003

Bill/Resolution No.: SB 2060

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.*

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>						
<b>Expenditures</b>						
<b>Appropriations</b>				\$132,561		\$132,561

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

2001-2003 Biennium			2003-2005 Biennium			2005-2007 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

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

Sections 4, 5 & 6 of the bill propose several provisions: 1) to create more competition for the group health insurance plan and 2) to establish an employer based wellness program. The provisions are intended to help reduce the rate of increase in plan costs. The competitiveness proposals authorize PERS to establish an independent provider network and alter the bidding requirements. Establishing an independent provider network will require developing and negotiating separate provider contracts with all North Dakota providers. Altering the bidding requirement will allow us to more actively solicit interest by other vendors in the PERS plan. Half of the above appropriation is for this effort. The second provision is to set up an employer based wellness program. The incentive for the employer is their premium would be lower if they have an employer based wellness program. PERS would set up the types of wellness programs that would qualify and work with/monitor the employers in establishing their on site programs. Half of the above costs are for staffing to assist in the development of this program.

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.*

The above amount is for 1 FTE and the requested amount breaks out as follows:

Salaries & Wages        \$87,372

Operating                 \$40,489

Equipment                \$4,700

**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.*

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**Agency:**                Public Employees Retirement System  
**Date Prepared:**        01/05/2003