

FISCAL NOTE
Requested by Legislative Council
03/28/2007

Amendment to: SB 2046

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.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$20,274	\$0	\$21,929	\$0
Appropriations	\$0	\$0	\$20,274	\$0	\$21,929	\$0

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

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$571,051	\$0	\$0	\$617,678

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

SB2046 (with House amendments 3/27/07) requires employer contributions of 7.75% on reemployed retirees' salaries, and incorporates federal tax law changes. Fiscal impact to state, school districts, and other TFFR employers is estimated to be \$591,325 for 2007-09 biennium.

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.*

Sections 4 and 5 require employer contributions of 7.75% on re-employed retirees' salaries (estimate 175 retirees X 7.75% X \$21,800 average retiree salary X 2 years = \$591,325 for 2007-09 biennium.

Fiscal impact may be more or less depending on actual number of re-employed retirees and actual salary paid to retirees.

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.*

Total expenditures by state, school districts, and other TFFR employers is estimated to be \$591,325 for 2007-09 biennium.

2 state agencies or institutions (Division of Independent Study and School for the Deaf) currently employ 6 retirees and would be required to pay employer contributions. (estimate 6 retirees X 7.75% X 21,800 average retiree salary X 2 years = \$20,274 for 2007-09 biennium.

School districts, special education units, vocational centers, counties, and other public education entities employ retirees and would be required to pay employer contributions. (estimate 169 X 7.75% X 21,800 average retirees salary X 2 years = \$571,051 for the 2007-09 biennium.

Fiscal impact may be more or less depending on actual number of re-employed retirees and actual salary paid to

retirees.

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.*

A general fund appropriation increase may be needed if state agencies or institutions (who have TFFR members), employ TFFR retirees in the future. Estimate \$20,274 for 2007-09 biennium.

Name:	Fay Kopp	Agency:	ND Retirement & Investment Office
Phone Number:	328-9895	Date Prepared:	03/28/2007