

FISCAL NOTE
Requested by Legislative Council
02/12/2007

Amendment to: HB 1322

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	\$0	\$150,000	\$75,000	\$75,000
Appropriations	\$0	\$0	\$0	\$0	\$75,000	\$75,000

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

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).*

The Risk Management Division will need 1 FTE-a paralegal to train state employees on contract provision revisions and to process indemnification review.

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 State's costs to defend or settle claims and lawsuits will increase.

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.*

\$74,000 salary cost for one additional FTE. The balance of the dollars will be spent to develop training materials to assist State employees to determine appropriate indemnification and insurance provisions and to pay increased defense and indemnification costs. If the claims and lawsuits are defended by the Office of the Attorney General, it is possible the workload increase will require hiring additional FTE.

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.*

General Funds and Special Funds - Contributions to the Risk Management Fund is determined by an actuarial review. Because there was no limitation on contractor's ability to indemnify the state for the 2007-2009 biennial review, this exposure was not considered when agency contributions were determined. If HB 1322 is enacted, the additional exposure for the Fund to pay damages and attorney fees will be factored into agency contributions for the '09-'11 biennium.

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