FISCAL NOTE
Requested by Legislative Council
01/18/2007

Amendment to: HB 1057

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	$32,751	$0	$0
Appropriations	$0	$0	$0	$0	$0	$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	$0	$0	$0	$0

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).*

Require employers that employ more than ninety-nine employees to file contribution and wage reports electronically. Requires electronic payments when made for multiple employers. Effective date for the legislation is taxable years after Dec 31, 2007.

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.*

Implementing this bill will require programming changes to our mainframe Unemployment Insurance (UI) computer system. It will require adding a method to track employers that employ more than 99 employees and non-electronic payments made by a payer on behalf of more than one employer, as well as, screen and report modifications.

Due to limited Job Service North Dakota programming staff availability, it is expected that a contractor will be needed to complete the required programming. Contractor programming costs are estimated as follows:
$13,340 - 92 estimated hours of Programmer/Analyst time at $145/hour
$13,340 - 100% learning curve cost for staff unfamiliar with user
          system.
$ 5,000 - Developer "seat," cost for one developer.
$ 127 - Ongoing cost of a development seat of $127/month/developer
$ 175 - Network hookup, $175 per developer
$ 29 - Ongoing network cost, $29/month/developer
$ 450 - Emulation software (if needed), $450/developer
$ 290 - Office Suite software (if needed), $290/developer
$32,751 - Total

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 expenditure would be to enter into a contract with external programmers. The projected expenditure would affect

the operating expense line item and would be charged to the agency's federal funds.

The expenditures, if any, would be offset against another planned expenditure in order to stay within the available federal resources.

Currently 2 FTE positions are involved in the manual input of information received on paper reports. As the need for this function is reduced, we anticipate redirecting activities to accomplish other tasks affected by reduced federal funding. Some of these tasks will initially include support for employers needing help in getting used to electronic filing.

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.*

Because the agency would not be receiving any additional federal resources to fund this expenditure, an offsetting decrease in another budgeted operating expense item would need to be accomplished. Therefore, there would not be any impact on the agency's appropriation.

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