

FISCAL NOTE
Requested by Legislative Council
01/13/2009

Bill/Resolution No.: HB 1362

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.*

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$3,700	\$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.*

2007-2009 Biennium			2009-2011 Biennium			2011-2013 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).*

This bill changes UI law relating to Professional Employer Organizations. The bill removes the ability to re-determine UI tax rates, changes the tax rate blending process, and provides revised notification and reporting requirements to JSND. The fiscal impact is a result of IT system programming.

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 section of the bill creating a fiscal impact is:

Section 1.

The fiscal impact is a result of the need to program our mainframe and internet-based computer systems to account for the loss of ability to re-determine rates. This loss will affect several processes, including voluntary contributions, rate calculations for business successors, and the processes associated with the merging of UI accounts for businesses that merge during the year.

Section 2.

The fiscal impact is a result of the need to change established reporting and notification processes. These processes are automated within the IT systems of Job Service, and will require mainframe programming changes to comply with the proposed language.

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.*

NA – No additional revenues are projected.

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.*

Scope of work to be done:

- Analysis – 4 hours
- Design – 4 hours
- Coding and unit testing – 22 hours

- o Program changes for the experience rate notices (JTA42 and JTA43) – 8 hours
- o Edits for the staffing service field (JT401) – 4 hours
- o Disabling reduced rate – 2 hours
- o Disabling voluntary contributions – 2 hours
- o Disabling voluntary contributions on UIEASY – 6 hours
- System Testing – 1 hour
- User Acceptance Testing – 2 hours
- Implementation – 4 hours

Total Hours for Project: 37 hours

Cost: 37 hours x \$100.00/hour = \$3,700

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.*

Name:	Darren Brostrom	Agency:	Job Service
Phone Number:	701-328-2843	Date Prepared:	01/16/2009