

FISCAL NOTE
Requested by Legislative Council
02/06/2019

Amendment to: SB 2128

- 1 A. **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.*

	2017-2019 Biennium		2019-2021 Biennium		2021-2023 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$75,500,000	\$97,500,000		
Appropriations			\$75,500,000	\$97,500,000		

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

	2017-2019 Biennium	2019-2021 Biennium	2021-2023 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **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 as amended provides intent that state employee salary increases for the 2019-21 biennium be the greater of \$100 per month or 3% for the first year and 3% per employee for the second year and that state employee health benefits be continued with no change to the benefits structure.

- 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 amounts shown in 1A total \$173.0 million for the 2019-21 biennium. Of that total, \$102.5 million (\$44.3 million from the general fund and \$58.2 million from other funds) is the total cost of the proposed salary increase based on all positions funded in the executive budget recommendation. The total includes all state agencies and institutions of higher education.

Also included in the total fiscal impact is \$70.5 million (\$31.2 million from the general fund and \$39.3 million from other funds) for the cost of continuing state employee health insurance benefits using the same benefits structure as the 2017-19 biennium.

The estimated cost to continue the proposed salary increases is \$137.7 million for the 2021-23 biennium. No estimate is available for the cost to continue health insurance benefits for the 2021-23 biennium.

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 proposed salary increases will increase expenditures by \$102.5 million for the 2019-21 biennium for all state agencies and institutions of higher education. The requirement to continue state employee health insurance benefits with no change to the benefits structure will increase expenditures by \$70.5 million for the 2019-21 biennium.

- 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 or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

The \$102.5 million required to fund the proposed salary increases is \$9.6 million less than the amount included in the 2019-21 executive budget recommendation, which proposes funding for salary increases averaging 4% the first year and 2% the second year, distributed on the basis of performance.

The \$70.5 million to continue the existing health insurance benefits structure is \$11.9 million more than the amount included in the executive budget recommendation.

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