

FISCAL NOTE
HOUSE BILL NO. 1040
LC# 23.0280.03000
01/06/2023
Revised - 01/06/2023

1 - 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.

| | 2021-2023 Biennium | | 2023-2025 Biennium | | 2025-2027 Biennium | |
|----------------|--------------------|-------------|--------------------|---------------|--------------------|---------------|
| | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
| Revenues | | | | | | |
| Expenditures | | | \$317,073,665 | \$101,864,163 | \$268,294,658 | \$341,456,652 |
| Appropriations | | | \$250,000,000 | | | |

2 - County, City, School District, and Township Fiscal Effect

Identify the fiscal effect on the appropriate political subdivision.

| | 2021-2023 Biennium | 2023-2025 Biennium | 2025-2027 Biennium |
|------------------|--------------------|--------------------|--------------------|
| Counties | | \$969,058 | \$3,876,232 |
| Cities | | \$631,368 | \$2,525,474 |
| School Districts | | \$1,304,516 | \$5,218,065 |
| Townships | | | |

3 - Bill and Fiscal Impact Summary

Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).

Provides for \$250,000,000 of lump sum deposits from the general fund, and an additional \$70,000,000 in special funds for the 2023-2025 and 2025-2027 biennium. It includes a 39.9% employer contribution increase for state employers, and a 1% employer contribution increase for political subdivisions.

4 - Fiscal Impact Sections Detail

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.

Provides for \$250,000,000 of lump sum deposits from the general fund, and an additional \$70,000,000 in special funds for the 2023-2025 and 2025-2027 biennium. It includes a 39.9% employer contribution increase for state employers, and a 1% employer contribution increase for political subdivisions.

5 - Revenues Detail

For information shown under state fiscal effect in 1 or 2, please explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

N/A

6 - Expenditures Detail

For information shown under state fiscal effect in 1 or 2, please explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

Total expenses for the 2023-2027 timeframe per the executive budget would be \$734.69 million. An agency breakdown for the 2023-2025 biennium is attached.

7 - Appropriations Detail

For information shown under state fiscal effect in 1 or 2, please 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.

\$250,000,000 from the general fund for the purpose of reducing the unfunded liability of the public employees retirement system main system plan, for the biennium beginning July 1, 2023, and ending June 30, 2025.

Contact Information

Name: Derrick Hohbein

Agency: NDPERS

Telephone: 7013283945

Date Prepared: 01/04/2023

| ID | Department | 23-25 Funding Adjustments | | |
|-------------|--|---------------------------|------------------|-------------------|
| | | General | Other | Total |
| 101 | Office of the Governor | \$ 376,060.09 | \$ - | \$ 376,060.09 |
| 108 | Office of the Secretary of State | \$ 349,308.00 | \$ 58,245.86 | \$ 407,553.86 |
| 110 | Office of Management and Budget | \$ 1,374,912.91 | \$ 238,274.51 | \$ 1,613,187.42 |
| 112 | Information Technology Department | \$ 1,438,757.53 | \$ 7,686,509.82 | \$ 9,125,267.36 |
| 117 | Office of the State Auditor | \$ 664,739.33 | \$ 446,979.21 | \$ 1,111,718.54 |
| 120 | Office of the State Treasurer | \$ 107,880.22 | \$ - | \$ 107,880.22 |
| 125 | Office of the Attorney General | \$ 2,638,153.27 | \$ 1,717,211.72 | \$ 4,355,365.00 |
| 127 | Office of the Sate Tax Commissioner | \$ 1,644,399.50 | \$ - | \$ 1,644,399.50 |
| 140 | Office of Administrative Hearings | \$ - | \$ 102,604.25 | \$ 102,604.25 |
| 150 | Legislative Assembly | \$ - | \$ - | \$ - |
| 160 | Legislative Council | \$ 862,809.87 | \$ - | \$ 862,809.87 |
| 180 | Judicial Branch | \$ 6,892,663.81 | \$ 51,181.16 | \$ 6,943,844.98 |
| 188 | Legal Counsel of Indigents | \$ 648,235.41 | \$ 18,626.06 | \$ 666,861.47 |
| 190 | Retirement and Investment Office | \$ - | \$ 609,061.73 | \$ 609,061.73 |
| 192 | Public Employees Retirement System | \$ - | \$ 563,656.63 | \$ 563,656.63 |
| 195 | Ethics Commission | \$ 56,826.48 | \$ - | \$ 56,826.48 |
| 201 | Department of Public Instruction | \$ 509,974.59 | \$ 836,759.54 | \$ 1,346,734.13 |
| 215 | ND University System | \$ 535,552.32 | \$ 212,309.14 | \$ 747,861.46 |
| 226 | Department of Trust Lands | \$ - | \$ 588,844.10 | \$ 588,844.10 |
| 227 | Bismarck State College | \$ 435,543.52 | \$ 620,629.63 | \$ 1,056,173.15 |
| 228 | Lake Region State College | \$ 201,562.70 | \$ 265,899.92 | \$ 467,462.61 |
| 229 | Williston State College | \$ 119,036.06 | \$ 157,894.48 | \$ 276,930.54 |
| 230 | University of North Dakota | \$ 1,697,565.50 | \$ 5,729,833.27 | \$ 7,427,398.77 |
| 232 | UND Medical Center | \$ 560,151.54 | \$ 862,860.42 | \$ 1,423,011.95 |
| 235 | North Dakota State University | \$ 1,372,595.39 | \$ 4,192,974.61 | \$ 5,565,570.00 |
| 238 | ND State College of Science | \$ 543,809.07 | \$ 626,914.98 | \$ 1,170,724.05 |
| 239 | Dickinson State University | \$ 215,766.14 | \$ 248,832.06 | \$ 464,598.19 |
| 240 | Mayville State University | \$ 285,298.61 | \$ 443,909.80 | \$ 729,208.41 |
| 241 | Minot State University | \$ 384,542.10 | \$ 564,737.95 | \$ 949,280.05 |
| 242 | Valley City State University | \$ 227,964.72 | \$ 226,563.91 | \$ 454,528.63 |
| 243 | Dakota College Bottineau | \$ 133,363.53 | \$ 118,071.90 | \$ 251,435.44 |
| 244 | ND Forest Service | \$ 343,707.16 | \$ 11,087.33 | \$ 354,794.49 |
| 250 | State Library | \$ 244,803.05 | \$ 40,512.17 | \$ 285,315.22 |
| 252 | School for the Deaf | \$ 530,812.67 | \$ 15,364.76 | \$ 546,177.43 |
| 253 | N.D. Vision Services | \$ 303,200.53 | \$ 34,636.95 | \$ 337,837.49 |
| 270 | Dept of Career and Technical Ed | \$ 754,753.20 | \$ 47,103.44 | \$ 801,856.63 |
| 303 | Department of Environmental Quality | \$ 744,946.89 | \$ 1,776,037.35 | \$ 2,520,984.24 |
| 313 | Veterans Home | \$ 251,931.95 | \$ 889,069.80 | \$ 1,141,001.75 |
| 316 | Indian Affairs Commission | \$ 64,040.70 | \$ - | \$ 64,040.70 |
| 321 | Department of Veterans Affairs | \$ 103,306.78 | \$ 16,595.11 | \$ 119,901.89 |
| 325 | Department of Human Services | \$ 17,386,031.38 | \$ 13,248,432.81 | \$ 30,634,464.19 |
| 360 | Protection and Advocacy Project | \$ 425,384.77 | \$ - | \$ 425,384.77 |
| 380 | Job Service North Dakota | \$ 20,258.09 | \$ 2,037,193.69 | \$ 2,057,451.78 |
| 401 | Office of the Insurance Commissioner | \$ - | \$ 607,107.83 | \$ 607,107.83 |
| 405 | Industrial Commission | \$ 1,781,878.79 | \$ 150,941.75 | \$ 1,932,820.54 |
| 406 | Office of the Labor Commissioner | \$ 166,688.01 | \$ 35,791.22 | \$ 202,479.23 |
| 408 | Public Service Commission | \$ 463,803.82 | \$ 323,172.50 | \$ 786,976.33 |
| 412 | Aeronautics Commission | \$ - | \$ 125,272.33 | \$ 125,272.33 |
| 413 | Department of Financial Institutions | \$ - | \$ 614,358.95 | \$ 614,358.95 |
| 414 | Office of the Securities Commissioner | \$ - | \$ 169,222.28 | \$ 169,222.28 |
| 471 | Bank of North Dakota | \$ - | \$ 2,971,147.22 | \$ 2,971,147.22 |
| 473 | North Dakota Housing Finance Agency | \$ - | \$ 793,166.21 | \$ 793,166.21 |
| 475 | North Dakota Mill & Elevator Association | \$ - | \$ 224,639.59 | \$ 224,639.59 |
| 485 | Workforce Safety & Insurance | \$ - | \$ 3,786,645.76 | \$ 3,786,645.76 |
| 504 | Highway Patrol | \$ 2,579,176.44 | \$ 909,544.30 | \$ 3,488,720.74 |
| 530 | Department of Corrections and Rehabilitation | \$ 11,046,418.72 | \$ 617,501.89 | \$ 11,663,920.62 |
| 540 | Adjutant General | \$ 1,028,092.93 | \$ 1,974,439.42 | \$ 3,002,532.36 |
| 601 | Department of Commerce | \$ 947,997.44 | \$ 183,231.50 | \$ 1,131,228.94 |
| 602 | Department of Agriculture | \$ 659,999.78 | \$ 468,915.06 | \$ 1,128,914.84 |
| 627 | Upper Great Plains Transportation Institute | \$ 68,943.28 | \$ 154,994.27 | \$ 223,937.55 |
| 628 | Branch Research Centers | \$ 333,943.44 | \$ 134,961.75 | \$ 468,905.20 |
| 630 | NDSU Extension Service | \$ 260,855.77 | \$ 268,615.43 | \$ 529,471.20 |
| 638 | Northern Crops Institute | \$ 9,850.78 | \$ 9,651.14 | \$ 19,501.92 |
| 640 | NDSU Main Research Center | \$ 371,963.29 | \$ 197,637.93 | \$ 569,601.23 |
| 649 | Agronomy Seed Farm | \$ - | \$ 39,323.84 | \$ 39,323.84 |
| 670 | Racing Commission | \$ 28,876.76 | \$ 1,520.25 | \$ 30,397.02 |
| 701 | State Historical Society | \$ 968,866.69 | \$ 117,941.98 | \$ 1,086,808.67 |
| 709 | Council on the Arts | \$ 81,255.25 | \$ - | \$ 81,255.25 |
| 720 | Game & Fish Department | \$ - | \$ 2,866,831.66 | \$ 2,866,831.66 |
| 750 | Department of Parks & Recreation | \$ 824,404.00 | \$ 50,684.80 | \$ 875,088.80 |
| 770 | State Water Commission | \$ - | \$ 1,555,470.98 | \$ 1,555,470.98 |
| 801 | Department Of Transportation | \$ - | \$ 15,206,011.00 | \$ 15,206,011.00 |
| State Total | | \$ 67,073,664.59 | \$ 79,864,162.98 | \$ 146,937,827.57 |