

FISCAL NOTE
HOUSE BILL NO. 1150
LC# 23.0016.02000
01/10/2023

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				\$5,000		
Appropriations						

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			
Cities			
School Districts			
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).

House Bill 1150 allows for a North Dakota teacher to opt out of participating in TFFR if the teacher is in their first year of teaching, has served at least 20 years in any branch of the US military, and has retired with full military retirement benefits before becoming a licensed teacher.

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.

HB 1150 would provide for an exception to the mandatory participation in the Teachers' Fund For Retirement for a North Dakota teacher who is in the first year of teacher and has served at least 20 years in any branch of the US military and has retired with full military retirement benefits before becoming a licensed teacher.

As indicated in the expenditure detail below, any exception to participation in TFFR would require manual intervention by TFFR staff to verify eligibility and perform subsequent reconciliations until the new pension administration system is fully implemented in Q4 of 2024. Until then we would request additional appropriation within our temporary salary line to support the additional time required to verify, reconcile, and monitor the impacted employers and members.

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.

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.

Our current pension administration system does not have an automatic process to exempt specific employees from participation in the plan. As such, this would require manual intervention in the determining of eligibility as well as in the reconciling and verifying of information provided for specifically exempted employees. This manual intervention would continue to occur until the implementation of the new pension administration system which is currently scheduled for Q4 of 2024.

As we build out the new system, we are employing temporary staff to help with the additional time needed to do the manual reconciliations. With the number of individuals potentially impacted by this bill currently unknown but understandably limited in number, we would anticipate the need to pay for a few additional hours of temporary staff time each month to monitor, verify, and reconcile.

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.

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