

FISCAL NOTE
Requested by Legislative Council
02/12/2007

Amendment to: SB 2292

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	\$231,480	\$840,839	\$241,059	\$874,473
Appropriations	\$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).*

SB 2292 would transfer OIR from WSI to the Dept of Labor (DOL). The legislative intent is to grant the labor commissioner supervisory and fiscal authority over OIR, with WSI to provide the funding. It is presumed employees of OIR would become classified employees.

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.*

It is presumed that Section 2 necessitates adding an attorney to OIR's staff and providing on-going desktop support to replace that advice and support which would no longer be provided by WSI.

Detailed expenditure estimates are provided below in Question 3B.

Assumptions include:

- * OIR staff would continue to be located in their present leased space. Funding for the lease costs is currently included in the OIR budget from WSI and would continue in the future.
- * An attorney would need to be added to the OIR staff.
- * WSI would continue to provide OIR staff with any needed support for and access to their claims system at no cost, but would discontinue the "regular" (non-claims system) IT desktop support services it currently provides through its internal IT personnel.

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.*

N/A - This bill would have no effect on revenues.

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.*

Attorney salary and benefits – \$228,600 (per biennium).

Additional IT desktop support costs to replace those that WSI currently provides to OIR through their own IT personnel – \$2,880 (per biennium).

Transfer of OIR 4 FTE from WSI to the DOL at current salary & benefits plus 4% increase for each year of the biennium for classified employees. \$737,799 in salaries and benefits for 2007-09 and \$767,311 for 2009-11. Current

operational budget for OIR for two years: \$103,040. Anticipated operational budget for 2009-11: \$107,162. These costs are not currently in DOL's appropriation.

Costs for 2009-11 biennium include the addition of \$235 for 4% annual inflationary increases on IT costs + \$7,344 for 4% annual pay increases for attorney position + \$2,000 in associated fringe.

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.*

SB 2292 indicates WSI shall fund OIR in accordance with legislative appropriation. This fiscal note identifies those items not included in current funding of the OIR and estimates the projected salaries, benefits and operational expenses that would be transferred from WSI to DOL to fund the operations of OIR.

The DOL's appropriation in the Executive Budget does not include funding for the costs associated with SB 2292.

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