

FISCAL NOTE
Requested by Legislative Council
 02/02/2009

Bill/Resolution No.: SB 2133

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 | \$63,332 | \$0 | (\$57,696) | \$0 |
| Appropriations | \$0 | \$0 | \$63,332 | \$0 | (\$57,696) | \$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 |
| | | | | | | | | |

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).*

Senate bill 2133 is an act to create and enact a new section to chapter 37-15 of the NDCC, relating to telephone services at the veterans' home and amend and reenact other sections of the NDCC. The creation of section 1 relating to telephone services is the only section with a fiscal impact.

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.*

Section 1 of NDCC 37-15 allows the veterans home to purchase or arrange for independent third-party telephone services. Currently all phone services are provided by ITD. We are requesting to purchase our telephone system from an independent third-party; allowing us the opportunity to save the state approximately \$513,000 over the course of an 11 year period. A separate system would also allow us to purchase a system that will work with our nurse call system for the new facility, which will enhance the care provided to our residents.

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.*

Section 1 has three alternatives. One alternative is that Section 1 is not passed and the operating budget for the veterans' home would remain the same. If the legislature passes the bill and allows us the opportunity to purchase a system from another party, there are two ways of funding the system. The first option would be to do a 5 year lease purchase of the system. The fiscal effect would be a reduction of \$23,712 to the operating line and a reduction in general fund authority of \$23,712. The net savings over the next 11 years using this option is \$495,000. The other option would be to purchase the system outright. The fiscal effect would be an increase in the capital line item of \$129,284 and a decrease of \$65,952 in the operating line item and an increase in general fund authority of \$63,332. The net savings to the state of the next 11 years using this option is \$513,000.

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.

Option 1 explained about would require no change to the appropriation authority. If we do a lease purchase over the next 5 years, we would reduce the general fund appropriation authority by \$23,712. If we purchase the system outright, we would increase the general fund authority by \$63,332. The executive budget currently is based upon option 1.

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