

FISCAL NOTE
Requested by Legislative Council
03/28/2017

Amendment to: HB 1436

- 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.*

	2015-2017 Biennium		2017-2019 Biennium		2019-2021 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures		\$80,000	\$1,561,006	\$1,787,273	\$1,561,006	\$1,967,273
Appropriations			\$1,561,006	\$1,707,273	\$1,561,006	\$1,707,273

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

	2015-2017 Biennium	2017-2019 Biennium	2019-2021 Biennium
Counties		\$409,098	\$409,098
Cities		\$341,798	\$341,798
School Districts		\$207,729	\$207,729
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).*

A bill to require the NDPERS Health Plan to be self-insured instead of fully insured.

- 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 5 of the bill required the NDPERS Health Plan be self-insured as of January 2018.

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

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.*

Expenditures are associated with consulting services to assist with the preparation, distribution, analysis, actuarial and other work efforts associated with a full bid process identified in the NDCC. Last time PERS used an actuarial/technical consultant and Pharmacy consultant. The cost for the actuarial/technical consultant was about \$200,000 and the pharmacy consultant approximately \$60,000. Since the proposed bid is less complex the actuarial/technical review is estimated at \$100,000 in 2017, for a total cost of \$160,000. The bid would start spring of 2017. A full bid would be required after four years in 2021 at an approximate cost of \$260,000.

PERS would request contingent appropriation authority and 2 FTE so a self-insured plan could be fully considered. PERS has included this in its budget request for the last full bid and the renewal in case the plan moved from fully insured to self insured. Requested dollars needed for this is \$428,139 per biennium.

The prior fiscal note had a 2.00% premium increase. The changes result in a 0.58% premium increase needed to build the required contingency reserves required in NDCC 54-52.1-04.3. This would be \$7.36 per active contract per month (\$1,561,006 general fund and \$1,279,134 other funds).

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 appropriations are not included in the executive budget. PERS would request contingent appropriation authority and 2 FTE so a self-insured plan could be fully implemented. PERS has included this in its budget request for the last full bid and the renewal in case the plan moved from fully insured to self-insured. Requested dollars needed for this is \$428,139 per biennium.

The prior fiscal note had a 2.00% premium increase. The changes result in a 0.58% premium increase needed to build the required contingency reserves required in NDCC 54-52.1-04.3. This would be \$7.36 per active contract per month (\$1,561,006 general fund and \$1,279,134 other funds).

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Date Prepared: 03/13/2017

2017-2019 NDPERS Health Plan						\$7.36	
		Executive Budget		15-17 Funding Adjustments			
		2017-2019	Monthly				
Department	FTE	Change	General	Other	Total		
101 Office of the Governor	18.00	\$7.36	\$3,179.52	\$0.00	\$3,179.52		
108 Office of the Secretary of State	33.00	\$7.36	\$5,652.73	\$176.39	\$5,829.12		
110 Office of Management and Budget	119.00	\$7.36	\$17,280.82	\$3,739.34	\$21,020.16		
112 Information Technology Department	349.30	\$7.36	\$11,027.20	\$50,673.16	\$61,700.35		
117 Office of the State Auditor	53.80	\$7.36	\$7,211.16	\$2,292.07	\$9,503.23		
120 Office of the State Treasurer	8.00	\$7.36	\$1,413.12	\$0.00	\$1,413.12		
125 Office of the Attorney General	234.00	\$7.36	\$37,865.41	\$3,468.35	\$41,333.76		
127 Office of the Sate Tax Commissioner	133.00	\$7.36	\$23,493.12	\$0.00	\$23,493.12		
140 Office of Administrative Hearings	5.00	\$7.36	\$0.00	\$883.20	\$883.20		
150 Legislative Assembly	141.00	\$7.36	\$24,906.24	\$0.00	\$24,906.24		
160 Legislative Council	36.00	\$7.36	\$6,359.04	\$0.00	\$6,359.04		
180 Judicial Branch	354.50	\$7.36	\$62,618.88	\$0.00	\$62,618.88		
188 Legal Counsel of Indigents	40.00	\$7.36	\$6,894.53	\$171.07	\$7,065.60		
190 Retirement and Investment Office	19.00	\$7.36	\$0.00	\$3,356.16	\$3,356.16		
192 Public Employees Retirement System	34.50	\$7.36	\$0.00	\$6,094.08	\$6,094.08		
201 Department of Public Instruction	97.75	\$7.36	\$5,329.55	\$11,937.01	\$17,266.56		
226 Department of Trust Lands	32.00	\$7.36	\$3,957.22	\$1,695.26	\$5,652.48		
250 State Library	29.75	\$7.36	\$0.00	\$5,255.04	\$5,255.04		
252 School for the Deaf	45.61	\$7.36	\$3,107.92	\$4,948.63	\$8,056.55		
253 N.D. Vision Services	29.50	\$7.36	\$2,273.97	\$2,936.91	\$5,210.88		
270 Dept of Career and Technical Ed	25.50	\$7.36	\$1,908.15	\$2,596.17	\$4,504.32		
215 ND University System	148.40	\$7.36	\$6,858.71	\$19,354.66	\$26,213.38		
227 Bismarck State College	358.35	\$7.36	\$15,520.90	\$47,778.04	\$63,298.94		
228 Lake Region State College	129.61	\$7.36	\$5,612.72	\$17,281.59	\$22,894.31		
229 Williston State College	100.75	\$7.36	\$8,796.45	\$9,000.03	\$17,796.48		
230 University of North Dakota	2218.07	\$7.36	\$218,552.26	\$173,247.63	\$391,799.88		
232 UND Medical Center	435.75	\$7.36	\$25,335.67	\$51,635.21	\$76,970.88		
235 North Dakota State University	1895.66	\$7.36	\$146,148.23	\$188,701.15	\$334,849.38		
238 ND State College of Science	345.04	\$7.36	\$29,616.95	\$31,330.92	\$60,947.87		
239 Dickinson State University	168.90	\$7.36	\$13,950.33	\$15,884.17	\$29,834.50		
240 Mayville State University	210.53	\$7.36	\$37,188.02	\$0.00	\$37,188.02		
241 Minot State University	441.65	\$7.36	\$68,119.29	\$9,893.77	\$78,013.06		
242 Valley City State University	202.75	\$7.36	\$34,773.15	\$1,040.61	\$35,813.76		
243 Dakota College Bottineau	84.30	\$7.36	\$14,878.40	\$12.35	\$14,890.75		
244 ND Forest Service	27.00	\$7.36	\$4,769.28	\$0.00	\$4,769.28		
301 North Dakota Department of Health	381.00	\$7.36	\$34,800.98	\$32,498.86	\$67,299.84		
305 Tobacco Prevention	0.00	\$7.36	\$0.00	\$0.00	\$0.00		
313 Veterans Home	120.72	\$7.36	\$7,272.66	\$14,051.32	\$21,323.98		
316 Indian Affairs Commission	4.00	\$7.36	\$706.56	\$0.00	\$706.56		
321 Department of Veterans Affairs	9.00	\$7.36	\$1,380.23	\$209.53	\$1,589.76		
325 Department of Human Services	2204.23	\$7.36	\$326,679.16	\$62,676.03	\$389,355.19		
360 Protection and Advocacy Project	27.50	\$7.36	\$4,857.60	\$0.00	\$4,857.60		
380 Job Service North Dakota	181.61	\$7.36	\$214.93	\$31,864.66	\$32,079.59		
401 Office of the Insurance Commissioner	47.00	\$7.36	\$0.00	\$8,302.08	\$8,302.08		
405 Industrial Commission	105.25	\$7.36	\$17,477.04	\$1,114.32	\$18,591.36		
406 Office of the Labor Commissioner	14.00	\$7.36	\$2,472.96	\$0.00	\$2,472.96		
408 Public Service Commission	45.00	\$7.36	\$4,827.79	\$3,121.01	\$7,948.80		
412 Aeronautics Commission	7.00	\$7.36	\$0.00	\$1,236.48	\$1,236.48		
413 Department of Financial Institutions	30.00	\$7.36	\$0.00	\$5,299.20	\$5,299.20		
414 Office of the Securities Commissioner	9.00	\$7.36	\$0.00	\$1,589.76	\$1,589.76		
471 Bank of North Dakota	181.50	\$7.36	\$0.00	\$32,060.16	\$32,060.16		
473 North Dakota Housing Finance Agency	46.00	\$7.36	\$0.00	\$8,125.44	\$8,125.44		
475 North Dakota Mill & Elevator Association	153.00	\$7.36	\$0.00	\$27,025.92	\$27,025.92		
485 Workforce Safety & Insurance	260.14	\$7.36	\$0.00	\$45,951.13	\$45,951.13		
504 Highway Patrol	206.00	\$7.36	\$29,079.99	\$7,307.85	\$36,387.84		
530 Department of Corrections and Rehabilitation	846.29	\$7.36	\$139,840.39	\$9,648.28	\$149,488.67		
540 Adjutant General	234.00	\$7.36	\$16,578.99	\$24,754.77	\$41,333.76		
601 Department of Commerce	66.40	\$7.36	\$9,183.23	\$2,545.67	\$11,728.90		
602 Department of Agriculture	75.00	\$7.36	\$7,279.71	\$5,968.29	\$13,248.00		
627 Upper Great Plains Transportation Institute	43.88	\$7.36	\$1,951.05	\$5,799.92	\$7,750.96		
628 Branch Research Centers	110.29	\$7.36	\$14,224.33	\$5,257.29	\$19,481.63		
630 NDSU Extension Service	252.98	\$7.36	\$22,771.51	\$21,914.88	\$44,686.39		
638 Northern Crops Institute	11.80	\$7.36	\$1,761.48	\$322.87	\$2,084.35		
640 NDSU Main Research Center	336.12	\$7.36	\$38,321.43	\$21,050.81	\$59,372.24		
649 Agronomy Seed Farm	3.00	\$7.36	\$0.00	\$529.92	\$529.92		
670 Racing Commission	2.00	\$7.36	\$353.28	\$0.00	\$353.28		
701 State Historical Society	77.00	\$7.36	\$12,437.89	\$1,163.39	\$13,601.28		
709 Council on the Arts	5.00	\$7.36	\$883.20	\$0.00	\$883.20		
720 Game & Fish Department	163.00	\$7.36	\$0.00	\$28,792.32	\$28,792.32		
750 Department of Parks & Recreation	65.00	\$7.36	\$11,050.96	\$430.64	\$11,481.60		
770 State Water Commission	96.00	\$7.36	\$0.00	\$16,957.44	\$16,957.44		
801 Department Of Transportation	1054.01	\$7.36	\$0.00	\$186,180.33	\$186,180.33		
State Total	16078.69	\$7.36	\$1,561,006	\$1,279,134	\$2,840,140		