

FISCAL NOTE
Requested by Legislative Council
02/17/2021

Amendment to: HB 1278

- 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.*

	2019-2021 Biennium		2021-2023 Biennium		2023-2025 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$2,329,425	\$0	\$4,658,850
Expenditures	\$0	\$0	\$0	\$2,330,425	\$0	\$4,658,850
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

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

	2019-2021 Biennium	2021-2023 Biennium	2023-2025 Biennium
Counties	\$0	\$0	\$0
Cities	\$0	\$0	\$0
School Districts	\$0	\$0	\$0
Townships	\$0	\$0	\$0

- 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).*

Provides eligibility for Unemployment Insurance for military spouses quitting a job to move due to a military transfer. The new eligibility provided for within the bill results in an employer tax rate increase and increased benefit payments to claimants. There are also some IT programming costs.

- 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.*

The bill provides for payment of UI benefits to individuals who currently are not eligible for UI benefits due to quitting a job. The increased expenditure of benefit payments from the UI Trust Fund would amount to \$2,329,425 per year. These benefit payments will be directly offset by a corresponding increase in tax rates for state employers of \$2,329,425 per year. The technology programming costs of \$1,000 are the result of programming activities required of the JSND web application, and the IVR phone system.

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.*

Revenues noted below are based off of increased taxes collected from all the employers statewide. These revenues would be placed into the Unemployment Insurance Trust Fund and could only be used for the payment of benefits to individuals, no administrative or other uses are allowed. The tax rate increases noted are based off of pool charging all benefit charges resulting from eligibility based upon this measure.

Additional Yearly Taxes Collected Statewide (Base provided spouse numbers, 17 weeks duration, average WBA):
 \$2,329,425

Given the above updated assumptions, the expected monetary impacts are as follows:

- Yearly total benefits costs for these claim types: \$2,329,425
- Average tax rate impact upon employers: 0.023%

- Average additional yearly cost per employee that would be assessed to employers via tax rate increase: \$8.97
- Average additional monthly cost per employee that would be assessed to employers via tax rate increase: \$0.75

Note that the yearly and monthly numbers (\$8.97 and \$0.75) are not separate numbers to add together, they reflect the same increase amount. They are shown separately simply to represent what the impact is per month or per year for discussion purposes

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.*

No additional FTE would be required as a result of bill passage.

Expenditures noted are benefit costs paid to unemployed individuals that would come from the Unemployment Insurance Trust fund along with technology programming costs and would come from the Unemployment Insurance Administrative Grant provided by the USDOL unless the state provided General Funds to cover the costs.

Expenditures are based off of the following claimant numbers:

Yearly claims from the Minot and Grand Forks Air Force Bases combined: 297
Yearly claims from ND National Guard and Reserve: 18
Total yearly claims: 315

Average weekly benefit amount (WBA): \$435

Average claim duration: 17 weeks

Expenditure (benefits paid) equal: 315 claims X \$435 per week X 17 weeks = \$2,329,425 annual increase in benefit costs

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.*

No appropriation is necessary.

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