

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1010 - Funding Summary

	Executive Budget	Final Legislative Action	Comparison To Executive Budget
Insurance Department			
Salaries and wages	\$8,260,726	\$8,019,514	(\$241,212)
Operating expenses	2,858,008	2,858,008	
Grants	7,840,000		(7,840,000)
Accrued leave payments		163,182	163,182
Total all funds	\$18,958,734	\$11,040,704	(\$7,918,030)
Less estimated income	18,958,734	11,040,704	(7,918,030)
General fund	\$0	\$0	\$0
FTE	49.50	49.50	0.00
Bill Total			
Total all funds	\$18,958,734	\$11,040,704	(\$7,918,030)
Less estimated income	18,958,734	11,040,704	(7,918,030)
General fund	\$0	\$0	\$0
FTE	49.50	49.50	0.00

House Bill No. 1010 - Insurance Department - House Action

	Executive Budget	House Changes	House Version
Salaries and wages	\$8,260,726	(\$376,576)	\$7,884,150
Operating expenses	2,858,008		2,858,008
Grants	7,840,000	(7,840,000)	
Accrued leave payments		163,182	163,182
Total all funds	\$18,958,734	(\$8,053,394)	\$10,905,340
Less estimated income	18,958,734	(8,053,394)	10,905,340
General fund	\$0	\$0	\$0
FTE	49.50	0.00	49.50

Department 401 - Insurance Department - Detail of House Changes

	Corrects Executive Compensation Package¹	Adjusts State Employee Compensation and Benefits Package²	Provides Separate Line Item for Accrued Leave Payments³	Removes Grants Line Item⁴	Total House Changes
Salaries and wages	37,503	(250,897)	(163,182)		(376,576)
Operating expenses					
Grants				(7,840,000)	(7,840,000)
Accrued leave payments			163,182		163,182
Total all funds	\$37,503	(\$250,897)	\$0	(\$7,840,000)	(\$8,053,394)
Less estimated income	37,503	(250,897)	0	(7,840,000)	(8,053,394)
General fund	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00

¹ Funding is added due to a calculation error in the executive compensation package.

² This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 2 to 4 percent per year.

- Reduces the market component from 2 to 4 percent per year for employees below the midpoint of their salary range to up to 2 percent for employees in the first quartile of their salary range for the first year of the biennium only.
- Removes funding for additional retirement contribution increases.

³ A portion of funding for permanent employees compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees.

⁴ This amendment removes \$7,670,000 from the insurance tax distribution fund for grants to fire departments (\$7 million) and the North Dakota Firefighter's Association (\$670,000). The amendment also removes \$170,000 from the fire and tornado fund for grants to the North Dakota Firefighter's Association.

Section 7 is changed to reduce the Insurance Commissioner's annual salary increase from 4 to 3 percent.

House Bill No. 1010 - Insurance Department - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$8,260,726	\$7,884,150	\$414,079	\$8,298,229
Operating expenses	2,858,008	2,858,008		2,858,008
Grants	7,840,000			
Accrued leave payments		163,182	(163,182)	
Total all funds	\$18,958,734	\$10,905,340	\$250,897	\$11,156,237
Less estimated income	18,958,734	10,905,340	250,897	11,156,237
General fund	\$0	\$0	\$0	\$0
FTE	49.50	49.50	0.00	49.50

Department 401 - Insurance Department - Detail of Senate Changes

	Restores Executive Compensation Package¹	Removes Separate Line Item for Accrued Leave Payments²	Total Senate Changes
Salaries and wages	250,897	163,182	414,079
Operating expenses			
Grants			
Accrued leave payments		(163,182)	(163,182)
Total all funds	\$250,897	\$0	\$250,897
Less estimated income	250,897	0	250,897
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00

¹ Funding reductions made by the House to the state employee compensation and benefits package are restored to the Governor's recommended level.

² The accrued leave payments line item added by the House is removed and the associated funding returned to line items with salaries and wages funding.

Section 6 of the engrossed bill is changed to provide the Insurance Commissioner with a 4 percent salary increase, the same as the executive budget. The House provided a 3 percent annual salary increase.

House Bill No. 1010 - Insurance Department - Conference Committee Action

	Executive Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$8,260,726	\$7,884,150	\$135,364	\$8,019,514	\$8,298,229	(\$278,715)
Operating expenses	2,858,008	2,858,008		2,858,008	2,858,008	
Grants	7,840,000					
Accrued leave payments		163,182		163,182		163,182
Total all funds	\$18,958,734	\$10,905,340	\$135,364	\$11,040,704	\$11,156,237	(\$115,533)
Less estimated income	18,958,734	10,905,340	135,364	11,040,704	11,156,237	(115,533)
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	49.50	49.50	0.00	49.50	49.50	0.00

Department 401 - Insurance Department - Detail of Conference Committee Changes

	Removes House Changes to Executive Compensation Package¹	Adjusts State Employee Compensation and Benefits Package²	Total Conference Committee Changes
Salaries and wages	250,897	(115,533)	135,364
Operating expenses			
Grants			
Accrued leave payments			
Total all funds	\$250,897	(\$115,533)	\$135,364
Less estimated income	250,897	(115,533)	135,364
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00

¹ Changes made by the House to the executive compensation package are removed.

² This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 3 to 5 percent for the first year of the biennium and 2 to 4 percent for the second year of the biennium.
- Reduces the market component from 2 to 4 percent per year to 1 to 2 percent per year for employees below the midpoint of their salary range.
- Reduces funding for retirement contribution increases to provide for a 1 percent state and 1 percent employee increase beginning in January 2014 and no increase in January 2015.

Section 6 is changed to reduce the Insurance Commissioner's annual salary increase from a 4 percent annual increase to a 4 percent increase on July 1, 2013, and a 3 percent increase on July 1, 2014. The House provided annual salary increases of 3 percent. The Senate provided annual salary increases of 4 percent, the same as the executive recommendation.