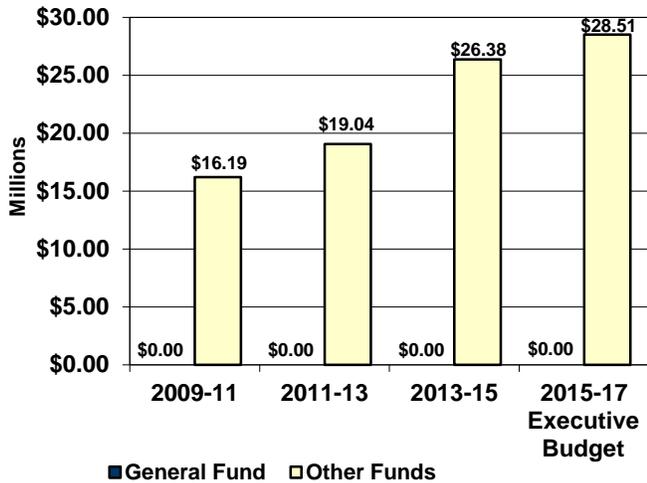


Department 401 - Insurance Commissioner, Including Insurance Tax Payments to Fire Departments
Senate Bill No. 2010

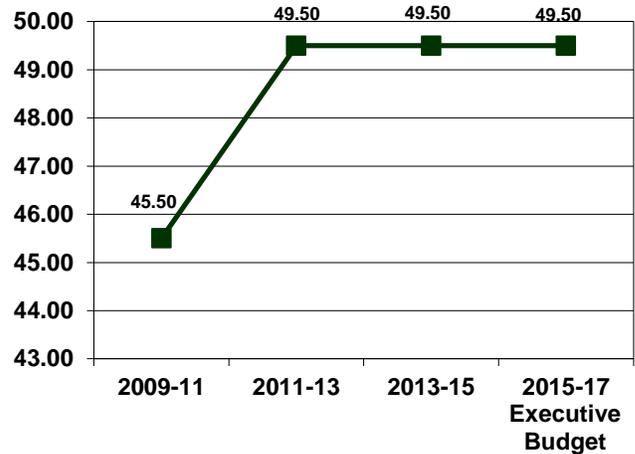
Executive Budget Comparison to Prior Biennium Appropriations

	FTE Positions	General Fund	Other Funds	Total
2015-17 Executive Budget	49.50	\$0	\$28,511,574	\$28,511,574
2013-15 Legislative Appropriations	49.50	0	26,377,090	26,377,090
Increase (Decrease)	0.00	\$0	\$2,134,484	\$2,134,484

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2015-17 Executive Budget	\$0	\$28,511,574	\$28,511,574
2015-17 Base Level	0	26,377,090	26,377,090
Increase (Decrease)	\$0	\$2,134,484	\$2,134,484

Attached as an appendix is a detailed comparison of the executive budget to the agency's base level appropriations.

Executive Budget Highlights

	General Fund	Other Funds	Total
1. Provides funding for state employee salary and benefit increases, of which \$436,261 relates to performance increases, \$72,631 is for market equity adjustments, \$215,889 is for health insurance increases, and \$44,882 is for retirement contribution increases	\$0	\$769,663	\$769,663
2. Increases the grant to the North Dakota Firefighter's Association	\$0	\$90,000	\$90,000
3. Increases grants to fire districts to provide total grants of \$15,681,207	\$0	\$1,144,821	\$1,144,821
4. Decreases funding relating to operating expenses	\$0	(\$345,966)	(\$345,966)
5. Provides one-time funding for a central database for the North Dakota Firefighter's Association	\$0	\$130,000	\$130,000
6. Provides one-time funding for a new boiler inspection software program	\$0	\$90,000	\$90,000

Other Sections in Bill

Insurance tax distribution fund - Section 2 designates \$15,681,207 for payments to fire departments and \$1,020,000 for payments to the North Dakota Firefighter's Association.

Bonding fund - Section 3 designates \$43,451 from the state bonding fund to pay bonding fund administrative expenses.

State fire and tornado fund - Section 4 designates \$1,469,026 from the state fire and tornado fund to pay state fire and tornado fund administrative expenses.

Unsatisfied judgment fund - Section 5 designates \$30,048 from the state unsatisfied judgment fund to pay unsatisfied judgment fund administrative expenses.

Petroleum release compensation fund - Section 6 designates \$104,269 from the state petroleum release compensation fund to pay petroleum release compensation fund administrative expenses.

Insurance Commissioner's salary - Section 7 provides the statutory changes necessary to increase the Insurance Commissioner's salary as follows:

Annual salary authorized by the Legislative Assembly in 2013:

July 1, 2013	\$96,794
July 1, 2014	\$99,698

Proposed annual salary recommendation in the 2015-17 executive budget:

July 1, 2015	\$103,686
July 1, 2016	\$107,833

The executive budget recommendation provides funding for elected officials' salary increases equal to 4 percent of salaries effective July 1, 2015, and 4 percent effective July 1, 2016.

Continuing Appropriations

There are no continuing appropriations for this agency.

Significant Audit Findings

The State Auditor's office identified the Insurance Department is not monitoring internal control activities of outside service organizations by obtaining and reviewing available service organization audit reports for the National Association of Insurance Companies and National Insurance Producer Registry. The State Auditor's office also identified the Insurance Department overspent the appropriation for administrative expenses from the petroleum release compensation fund by \$52,736.

Major Related Legislation

Senate Bill No. 2016 - Appropriates \$3 million of one-time funding from the general fund to the Department of Emergency Services for grants to fire departments to purchase equipment for train derailment fires.

House Bill No. 1039 - Expands alternative health insurance coverage of substance abuse treatment to include residential treatment.

House Bill No. 1053 - Requires certain agencies to obtain desktop support services from the Information Technology Department.

House Bill No. 1072 - Expands health insurance coverage of cancer treatment medications.

Insurance Commissioner - Budget No. 401
Senate Bill No. 2010
Base Level Funding Changes

	Executive Budget Recommendation			Total
	FTE Positions	General Fund	Other Funds	
2015-17 Biennium Base Level	49.50	\$0	\$26,377,090	\$26,377,090
2015-17 Ongoing Funding Changes				
Base payroll changes			\$255,966	\$255,966
Salary increase - Performance			436,261	436,261
Salary increase - Market equity			72,631	72,631
Retirement contribution increase			44,882	44,882
Health insurance increase			215,889	215,889
Reduce operating expenses			(345,966)	(345,966)
Increase grant to North Dakota Firefighter's Association			90,000	90,000
Increase grants to fire districts			1,144,821	1,144,821
Total ongoing funding changes	0.00	\$0	\$1,914,484	\$1,914,484
One-time funding items				
Information technology software			\$90,000	\$90,000
Computerized database for North Dakota Firefighter's Association			130,000	130,000
Total one-time funding changes	0.00	\$0	\$220,000	\$220,000
Total Changes to Base Level Funding	0.00	\$0	\$2,134,484	\$2,134,484
2015-17 Total Funding	49.50	\$0	\$28,511,574	\$28,511,574

Other Sections in Senate Bill No. 2010

	Executive Budget Recommendation
Insurance tax distribution fund	Section 2 designates \$15,681,207 for payments to fire departments and \$1,020,000 for payments to the North Dakota Firefighter's Association.
Bonding fund	Section 3 designates \$43,451 from the state bonding fund to pay bonding fund administrative expenses.
State fire and tornado fund	Section 4 designates \$1,469,026 from the state fire and tornado fund to pay fire and tornado fund administrative expenses.
Unsatisfied judgment fund	Section 5 designates \$30,048 from the state unsatisfied judgment fund to pay unsatisfied judgment fund administrative expenses.
Petroleum release compensation fund	Section 6 designates \$104,269 from the state petroleum release compensation fund to pay petroleum release compensation fund administrative expenses.
Insurance Commissioner's salary	Section 7 provides the statutory changes necessary to increase the Insurance Commissioner's salary to \$103,686 beginning July 1, 2015 and \$107,833 beginning July 1, 2016.