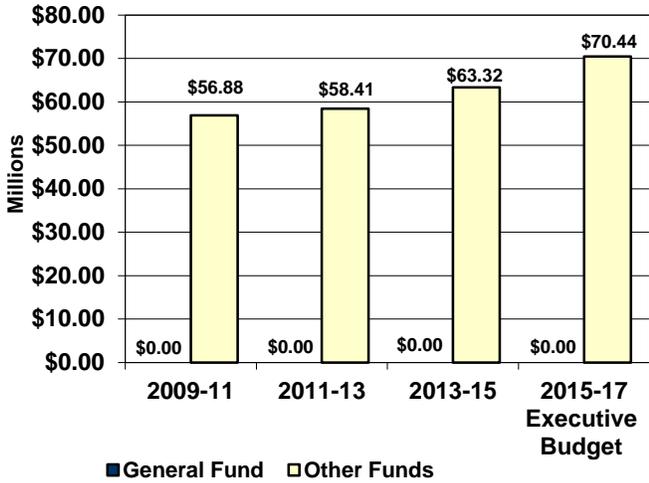


**Department 485 - Workforce Safety and Insurance
 Senate Bill No. 2021**

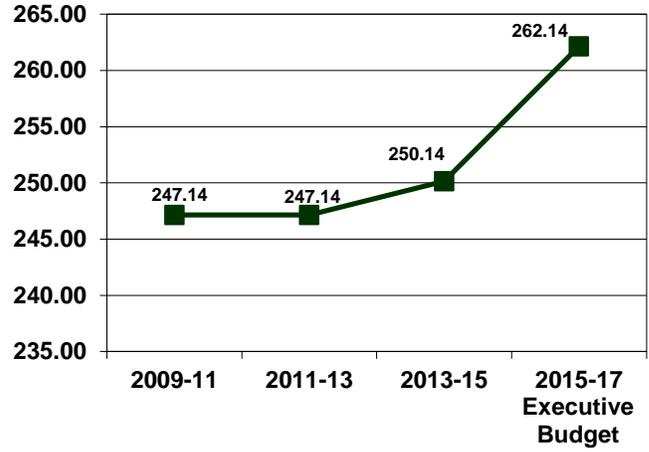
Executive Budget Comparison to Prior Biennium Appropriations

	FTE Positions	General Fund	Other Funds	Total
2015-17 Executive Budget	262.14	\$0	\$70,443,045	\$70,443,045
2013-15 Legislative Appropriations	250.14	0	63,322,422	63,322,422
Increase (Decrease)	12.00	\$0	\$7,120,623	\$7,120,623

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2015-17 Executive Budget	\$0	\$70,443,045	\$70,443,045
2015-17 Base Level	0	63,322,422	63,322,422
Increase (Decrease)	\$0	\$7,120,623	\$7,120,623

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 \$2,258,891 relates to performance increases, \$406,335 is for market equity adjustments, \$1,105,363 is for health insurance increases, and \$233,299 is for retirement contribution increases	\$0	\$4,003,888	\$4,003,888
2. Adds the following 6 new FTE positions considered high priority by the agency:			
• 1 Underwriter	\$0	\$129,759	\$129,759
• 2 Vocational rehabilitation case managers	\$0	259,518	259,518
• 2 Nurse case managers	\$0	279,146	279,146
• 1 Physical therapist	\$0	210,051	210,051
Total	\$0	\$878,474	\$878,474
3. Converts the following 6 temporary positions to FTE:			
• 3 Claim adjusters	\$0	\$378,083	\$378,083
• 1 Collections specialist	\$0	121,134	121,134
• 2 Document processing specialists	\$0	162,835	162,835
Total	\$0	\$662,052	\$662,052

4. Removes data warehouse project authorized in the 2013-15 biennium	\$0	(\$2,000,000)	(\$2,000,000)
5. Removes web portal project authorized in the 2013-15 biennium	\$0	(\$1,500,000)	(\$1,500,000)
6. Removes policy replacement project authorized in the 2013-15 biennium	\$0	(\$1,225,000)	(\$1,225,000)
7. Removes failed system replacement project authorized in the 2013-15 biennium	\$0	(\$750,000)	(\$750,000)
8. Decreases operating expenses	\$0	(\$1,999,857)	(\$1,999,857)
9. Provides one-time funding for a computer software replacement project	\$0	\$6,000,000	\$6,000,000
10. Provides one-time funding for litigation costs for a computer software replacement project	\$0	\$1,000,000	\$1,000,000

Continuing Appropriations

Building maintenance account - North Dakota Century Code Section 65-02-05.1 - Money in the Workforce Safety and Insurance (WSI) building maintenance account is appropriated on a continuing basis for bond principal and interest payments, operating, maintenance, repair, and payment in lieu of taxes expenses of the buildings and grounds.

Reinsurance and other states' coverage - Section 65-02-13.1 - Money in the WSI fund is appropriated on a continuing basis to allow the agency to establish a program of reinsurance and a program of extraterritorial coverage and other states' insurance.

Allocated loss adjustment expenses - Section 65-02-06.1 - Money in the WSI fund is appropriated on a continuing basis for the payment of all allocated loss adjustment expenses experienced by the agency.

Preferred worker program - Section 65-05-36 - Money in the WSI fund is appropriated on a continuing basis for the payment of the expense of conducting a biennial independent performance evaluation.

Insurance fraud unit - Section 65-02-23 - Money in the WSI fund is appropriated on a continuing basis for the payment of costs associated with identifying, preventing, and investigating employer or provider fraud.

Information fund - Section 65-01-13 - Money in the WSI information fund is appropriated on a continuing basis for the payment of publication and statistical processing expenses incurred by the agency.

Safety programs - Section 65-03-04 - Money in the WSI fund is appropriated on a continuing basis for the purpose of funding work safety and loss prevention programs.

Educational revolving loan fund - Section 65-05.1-08 - Money in the WSI educational revolving loan fund is appropriated on a continuing basis to maintain the fund and provide loans to individuals wanting to pursue a postsecondary education.

Litigation expense - Section 65-02-06.2 - Money in the WSI fund is appropriated for expenses associated with litigating employer-related issues and for payment of organization expenses associated with litigating medical provider-related issues.

Collection agency fees - Section 54-06-29 - Payment of fees to The Affiliated Group to assist in collection past-due accounts.

Independent performance evaluation - Section 65-02-30 - Requires that once every four years, the WSI Director shall request the State Auditor's office to select a firm with extensive expertise in workers' compensation practices and standards to complete a performance evaluation of the functions and operations of the organization.

Significant Audit Findings

There are no significant audit findings for this agency.

Major Related Legislation

Senate Bill No. 2060 - Workers' Compensation Coverage - Section 1 creates a new section to Chapter 65-05 providing requirements for coverage of chronic opioid therapy in workers' compensation.

House Bill No. 1103 - Premium Payments - Section 2 amends Section 65-04-33(3) authorizing WSI to assess a penalty of \$5,000 of each premium period an employer is uninsured, a change from \$2,000 of each premium period.

House Bill No. 1120 - Section 1 amends Section 65-06.2-06 requiring Roughrider Industries to participate in the WSI account for state entities.

House Bill No. 1159 - Workers' Compensation Claim Information - Section 1 amends Section 65-05-30 authorizing health care providers, hospitals, or clinics to disclose information or render an opinion on a claim for workers' compensation, and provides an exemption from liability for the disclosure of the information or opinion.

Workforce Safety and Insurance - Budget No. 485
Senate Bill No. 2021
Base Level Funding Changes

	Executive Budget Recommendation			Total
	FTE Positions	General Fund	Other Funds	
2015-17 Biennium Base Level	250.14	\$0	\$63,322,422	\$63,322,422
2015-17 Ongoing Funding Changes				
Base payroll changes			\$2,051,066	\$2,051,066
Salary increase - Performance			2,258,891	2,258,891
Salary increase - Market			406,335	406,335
Retirement contribution increase			233,299	233,299
Health insurance increase			1,105,363	1,105,363
New FTE positions	6.00		878,474	878,474
Converts temporary employees to FTE	6.00		662,052	662,052
Decreases operating expenses			(1,999,857)	(1,999,857)
Removes data warehouse project authorized in the 2013-15 biennium			(2,000,000)	(2,000,000)
Removes web portal project authorized in the 2013-15 biennium			(1,500,000)	(1,500,000)
Removes policy replacement project authorized in the 2013-15 biennium			(1,225,000)	(1,225,000)
Removes litigation contingency for the failed system project authorized in the 2013-15 biennium			(750,000)	(750,000)
Total ongoing funding changes	12.00	\$0	\$120,623	\$120,623
One-time funding items				
Computer software replacement project			\$6,000,000	\$6,000,000
Litigation cost for computer software replacement project			1,000,000	1,000,000
Total one-time funding changes	0.00	\$0	\$7,000,000	\$7,000,000
Total Changes to Base Level Funding	12.00	\$0	\$7,120,623	\$7,120,623
2015-17 Total Funding	262.14	\$0	\$70,443,045	\$70,443,045