

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2010 - Funding Summary

	Base Budget	Final Legislative Action	Comparison to Base Budget
Insurance Department			
Salaries and wages	\$8,076,281	\$10,668,172	\$2,591,891
Operating expenses	1,507,359	2,637,667	1,130,308
Capital assets		147,540	147,540
Grants		2,400,000	2,400,000
Insurance tax payments	<u>20,728,540</u>	<u></u>	<u>(20,728,540)</u>
Total all funds	\$30,312,180	\$15,853,379	(\$14,458,801)
Less estimated income	<u>30,312,180</u>	<u>15,853,379</u>	<u>(14,458,801)</u>
General fund	\$0	\$0	\$0
FTE	38.00	47.00	9.00
Bill total			
Total all funds	\$30,312,180	\$15,853,379	(\$14,458,801)
Less estimated income	<u>30,312,180</u>	<u>15,853,379</u>	<u>(14,458,801)</u>
General fund	\$0	\$0	\$0
FTE	38.00	47.00	9.00

Senate Bill No. 2010 - Insurance Department - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$8,076,281	\$3,376,478	\$11,452,759
Operating expenses	1,507,359	1,396,627	2,903,986
Capital assets		75,000	75,000
Grants		2,400,000	2,400,000
Insurance tax payments	<u>20,728,540</u>	<u>(20,728,540)</u>	<u></u>
Total all funds	\$30,312,180	(\$13,480,435)	\$16,831,745
Less estimated income	<u>30,312,180</u>	<u>(13,480,435)</u>	<u>16,831,745</u>
General fund	\$0	\$0	\$0
FTE	38.00	11.00	49.00

Department 401 - Insurance Department - Detail of Senate Changes

	Adjusts Funding for Base Payroll Changes¹	Adjusts Funding for Salary and Benefit Increases²	Transfers an FTE for IT Unification³	Adjusts Funding for Salaries and Operating Expenses⁴	Transfers FTE for State Fire Marshal⁵	Adds FTE for State Fire Marshal⁶
Salaries and wages	\$62,195	\$593,139	(\$226,656)	\$185,968	\$1,797,805	\$838,979
Operating expenses			148,164	(233,516)	365,094	368,122
Capital assets						
Grants						
Insurance tax payments	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
Total all funds	\$62,195	\$593,139	(\$78,492)	(\$47,548)	\$2,162,899	\$1,207,101
Less estimated income	<u>62,195</u>	<u>593,139</u>	<u>(78,492)</u>	<u>(47,548)</u>	<u>2,162,899</u>	<u>1,207,101</u>
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	(1.00)	0.00	8.00	4.00

	Adds Salary Equity Funding for Elected Officials ⁷	Adds Funding for Operating Expenses ⁸	Removes Funding for Payments to Fire Departments ⁹	Increases Funding to North Dakota Firefighters Association ¹⁰	Adds One-Time Funding for Retirement Leave Payouts ¹¹	Adds One-Time Funding for Office Remodel ¹²
Salaries and wages	\$26,748				\$98,300	
Operating expenses		\$748,763				
Capital assets						\$75,000
Grants				\$2,400,000		
Insurance tax payments			(\$19,588,470)	(1,140,070)		
Total all funds	\$26,748	\$748,763	(\$19,588,470)	\$1,259,930	\$98,300	\$75,000
Less estimated income	26,748	748,763	(19,588,470)	1,259,930	98,300	75,000
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Total Senate Changes
Salaries and wages	\$3,376,478
Operating expenses	1,396,627
Capital assets	75,000
Grants	2,400,000
Insurance tax payments	(20,728,540)
Total all funds	(\$13,480,435)
Less estimated income	(13,480,435)
General fund	\$0
FTE	11.00

¹ Funding is added for the cost to continue salary increases.

² The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance from \$1,429 to \$1,648 per month:

	Other Funds
Salary increase	\$414,226
Health insurance increase	178,913
Total	\$593,139

³ One FTE information technology (IT) position is transferred to the Information Technology Department for the IT unification initiative, including a decrease in salaries and wages and an increase in operating expenses.

⁴ Funding is increased for salaries and wages and decreased for operating expenses.

⁵ Eight FTE fire marshal positions are transferred from the Attorney General to the Insurance Commissioner.

⁶ Four FTE fire marshal positions are added, including related operating expenses.

⁷ Funding is added from special funds for a salary equity increase for the Insurance Commissioner. The Insurance Commissioner's salary is increased from the current level of \$114,486 to \$130,000 (14 percent) effective July 1, 2023, and to \$135,200 (4 percent) effective July 1, 2024.

⁸ Funding is increased for operating expenses, including \$408,558 for IT data processing, \$166,323 for travel, \$108,025 for professional fees and services, and \$26,775 for operating fees and services.

⁹ Funding is removed for payments to fire departments and districts. Payments to fire departments and districts will be made pursuant to a continuing appropriation provided for in Senate Bill No. 2211.

¹⁰ Funding is increased for payments to the North Dakota Firefighter's Association to provide a total of \$2.4 million from the insurance regulatory trust fund rather than the insurance tax distribution fund.

¹¹ One-time funding of \$98,300 from special funds is added for retirement leave payouts.

¹² One-time funding of \$75,000 from special funds is added for an office remodeling project.

This amendment also adds sections to:

- Provide an appropriation of any federal funds received by the insurance commission in excess of the amount appropriated;
- Provide the statutory changes necessary to increase the Insurance Commissioner's annual salary to \$130,000 (14 percent) effective July 1, 2023, and to \$135,200 (4 percent) effective July 1, 2024; and
- Provide a transfer of any remaining balance from the unsatisfied judgment fund to the insurance regulatory trust fund contingent on the passage of Senate Bill No. 2295. The section identifying funding from the unsatisfied judgment fund included in the Insurance Commissioner's appropriation is removed.

Senate Bill No. 2010 - Insurance Department - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$8,076,281	\$11,452,759	(\$797,843)	\$10,654,916
Operating expenses	1,507,359	2,903,986	(458,349)	2,445,637
Capital assets		75,000	72,540	147,540
Grants		2,400,000		2,400,000
Insurance tax payments	20,728,540			
Total all funds	\$30,312,180	\$16,831,745	(\$1,183,652)	\$15,648,093
Less estimated income	30,312,180	16,831,745	(1,183,652)	15,648,093
General fund	\$0	\$0	\$0	\$0
FTE	38.00	49.00	(3.00)	46.00

Department 401 - Insurance Department - Detail of House Changes

	Adds Funding for Salary and Benefit Increases ¹	Adjusts Salary Equity Funding for Elected Officials ²	Removes FTE Positions for Fire Marshal ³	Removes Salary Funding for Funding Pool ⁴	Removes Funding for Travel Expenses ⁵	Adds One-Time Funding for State Fire Marshal Equipment ⁶
Salaries and wages	\$284,102	(\$5,600)	(\$635,289)	(\$441,056)		
Operating expenses			(276,091)		(\$182,258)	
Capital assets						\$72,540
Grants						
Insurance tax payments						
Total all funds	\$284,102	(\$5,600)	(\$911,380)	(\$441,056)	(\$182,258)	\$72,540
Less estimated income	284,102	(5,600)	(911,380)	(441,056)	(182,258)	72,540
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	(3.00)	0.00	0.00	0.00

	Total House Changes
Salaries and wages	(\$797,843)
Operating expenses	(458,349)
Capital assets	72,540
Grants	
Insurance tax payments	
Total all funds	(\$1,183,652)
Less estimated income	(1,183,652)
General fund	\$0
FTE	(3.00)

¹ Salaries and wages funding is adjusted to provide for the 2023-25 biennium salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024, and for adjustments to health insurance premium rates as follows:

	Other Funds
Salary increase	\$246,975
Health insurance adjustment	<u>37,127</u>
Total	\$284,102

The Senate provided salary adjustments of 4 percent on July 1, 2023, and July 1, 2024.

² Funding is adjusted from special funds for a salary equity increase for the Insurance Commissioner. The salary equity increase is adjusted from \$26,748 to \$21,148 as the House has approved salary adjustments of 6 percent on July 1, 2023, and 4 percent on July 1, 2024. The Senate had approved salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024.

³ Funding of \$911,380 from other funds is removed for 3 FTE deputy fire marshal positions, of which \$635,289 is salaries and wages and \$276,091 is related operating expenses.

⁴ Funding for the new FTE positions and estimated savings from vacant FTE positions is removed as shown below. These amounts are available to the agency by submitting to the Office of Management and Budget for a transfer from the new and vacant FTE funding pool.

	Other Funds
New FTE positions	(\$203,690)
Vacant FTE positions	<u>(237,366)</u>
Total	(\$441,056)

⁵ Funding for travel is reduced by \$182,258 from other funds to provide a total of \$400,000.

⁶ One-time funding of \$72,540 is added from other funds for State Fire Marshal equipment.

This amendment also:

- Removes sections transferring any remaining balance from the unsatisfied judgment fund to the insurance regulatory trust fund and providing a contingent effective date for the transfer. Senate Bill No. 2295 has a section relating to the transfer of the balance in the unsatisfied judgment fund. The Senate had added these sections.
- Amends North Dakota Century Code Sections 26.1-23.1-02 and 26.1-23.1-06 relating to government self-insurance pools.

Senate Bill No. 2010 - Insurance Department - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$8,076,281	\$11,452,759	(\$784,587)	\$10,668,172	\$10,654,916	\$13,256
Operating expenses	1,507,359	2,903,986	(266,319)	2,637,667	2,445,637	192,030
Capital assets		75,000	72,540	147,540	147,540	
Grants		2,400,000		2,400,000	2,400,000	
Insurance tax payments	<u>20,728,540</u>					
Total all funds	\$30,312,180	\$16,831,745	(\$978,366)	\$15,853,379	\$15,648,093	\$205,286
Less estimated income	<u>30,312,180</u>	16,831,745	(978,366)	15,853,379	15,648,093	205,286
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	38.00	49.00	(2.00)	47.00	46.00	1.00

Department 401 - Insurance Department - Detail of Conference Committee Changes

	Adds Funding for Salary and Benefit Increases¹	Adjusts Salary Equity Funding for Elected Officials²	Removes FTE Positions for Fire Marshal³	Add Funding for Retirement Changes for Peace Officers⁴	Removes Salary Funding for Funding Pool⁵	Removes Funding for Travel Expenses⁶
Salaries and wages	\$284,102	(\$5,600)	(\$431,599)	\$13,256	(\$644,746)	
Operating expenses			(184,061)			(\$82,258)
Capital assets						
Grants						
Insurance tax payments						
Total all funds	\$284,102	(\$5,600)	(\$615,660)	\$13,256	(\$644,746)	(\$82,258)
Less estimated income	284,102	(5,600)	(615,660)	13,256	(644,746)	(82,258)
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	(2.00)	0.00	0.00	0.00

	Adds One-Time Funding for State Fire Marshal Equipment⁷	Total Conference Committee Changes
Salaries and wages		(\$784,587)
Operating expenses		(266,319)
Capital assets	\$72,540	72,540
Grants		
Insurance tax payments		
Total all funds	\$72,540	(\$978,366)
Less estimated income	72,540	(978,366)
General fund	\$0	\$0
FTE	0.00	(2.00)

¹ Salaries and wages funding is adjusted to provide for the 2023-25 biennium salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024, and for adjustments to health insurance premium rates, the same as the House, as follows:

	Other Funds
Salary increase	\$246,975
Health insurance adjustment	37,127
Total	\$284,102

The Senate provided salary adjustments of 4 percent on July 1, 2023, and July 1, 2024.

² Funding is adjusted from special funds for a salary equity increase for the Insurance Commissioner. The salary equity increase is adjusted from \$26,748 to \$21,148, the same as the House version due to salary adjustments of 6 percent on July 1, 2023, and 4 percent on July 1, 2024. The Senate had approved salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024.

³ Funding of \$615,660 from other funds is removed for 2 FTE deputy fire marshal positions, of which \$431,599 is salaries and wages and \$184,061 is related operating expenses. The House had removed 3 FTE positions for a total of \$911,380. The Senate had added 4 FTE positions for the State Fire Marshal.

⁴ Funding is added from other funds for an employer retirement contribution increase due to approval of House Bill No. 1183. The Senate and House did not include this funding.

⁵ Funding for the new FTE positions and estimated savings from vacant FTE positions is removed as shown below. These amounts are available to the agency by submitting a request to the Office of Management and Budget for a transfer from the new and vacant FTE funding pool.

	Other Funds
New FTE positions	(\$407,380)
Vacant FTE positions	<u>(237,366)</u>
Total	(\$644,746)

The House also removed funding for the new and vacant FTE pool.

⁶ Funding for travel is reduced by \$82,258 from other funds to provide a total of \$500,000. The House had removed \$182,258.

⁷ One-time funding of \$72,540 is added from other funds for State Fire Marshal equipment, the same as the House version.

This amendment also:

- Removes sections transferring any remaining balance from the unsatisfied judgment fund to the insurance regulatory trust fund and providing a contingent effective date for the transfer, the same as the House version. Senate Bill No. 2295 has a section relating to the transfer of the balance in the unsatisfied judgment fund.
- The House added sections amending Sections 26.1-23.1-02 and 26.1-23.1-06 relating to government self-insurance pools. The Conference Committee included the sections but included exceptions to Sections 26.1-26-06, 26.1-26-07, and 26.1-26-13.1 from the amendment to Section 26.1-23.1-02.