

Insurance Commissioner, including Insurance Tax Payments to Fire Departments
Budget No. 401
Senate Bill No. 2010

	FTE Positions	General Fund	Other Funds	Total
2023-25 legislative appropriations	47.00	\$0	\$15,853,379	\$15,853,379
2023-25 base budget	38.00	0	30,312,180	30,312,180
Legislative increase (decrease) to base budget	9.00	\$0	(\$14,458,801)	(\$14,458,801)

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS
Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Adjusted funding for base payroll changes			\$62,195	\$62,195
Added funding to provide employee salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024			661,201	661,201
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,643 per month			216,040	216,040
Removed an FTE position for information technology unification	(1.00)		(78,492)	(78,492)
Transferred the State Fire Marshal from the Attorney General's office; \$1,797,805 is for salaries and wages and \$365,094 is for related operating expenses	8.00		2,162,899	2,162,899
Added FTE positions for the State Fire Marshal; \$407,380 is for salaries and wages and \$184,061 is for related operating expenses	2.00		591,441	591,441
Added funding for employer retirement contribution increase for peace officers provided for in House Bill No. 1183 (2023)			13,256	13,256
Transferred funding for new FTE positions and estimated savings from vacant FTE positions to a new and vacant FTE funding pool in the Office of Management and Budget			(644,746)	(644,746)
Added funding for a salary equity increase for the Insurance Commissioner to increase the annual salary from \$114,468 to \$130,000 effective July 1, 2023			21,148	21,148
Added funding for operating expenses			618,957	618,957

Removed funding for payments to fire departments since the payments will be provided as a continuing appropriation pursuant to the provisions of Senate Bill No. 2211 (2023)			(19,588,470)	(19,588,470)
Increased funding for North Dakota Firefighter's Association to provide a total of \$2.4 million			1,259,930	1,259,930
Added one-time funding for accrued leave payouts due to retirements			98,300	98,300
Added one-time funding for an office remodel			75,000	75,000
Added one-time funding for State Fire Marshal equipment			72,540	72,540
Total	<u>9.00</u>	<u>\$0</u>	<u>(\$14,458,801)</u>	<u>(\$14,458,801)</u>

FTE Changes

The Legislative Assembly approved 47 FTE positions for the Insurance Commissioner for the 2023-25 biennium, an increase of 9 FTE positions from the 2021-23 biennium authorized level of 38 FTE positions. The Legislative Assembly removed 1 FTE position for information technology unification and added the following FTE positions:

- 8 FTE State Fire Marshal positions transferred from the Attorney General; and
- 2 FTE state deputy fire marshal positions.

One-Time Funding

The following is a summary of one-time funding items for the Insurance Commissioner for the 2023-25 biennium:

	Other Funds
Accrued leave payouts	\$98,300
Office remodel	75,000
State Fire Marshal equipment	72,540
Total one-time funding	\$245,840

Insurance Tax Payments to Fire Departments

The Legislative Assembly, in Senate Bill No. 2211, provided a continuing appropriation for payments to fire departments and districts from the insurance tax distribution fund, in accordance with provisions of North Dakota Century Code Section 18-04-05. Previously, the funding was specifically appropriated to the Insurance Commissioner each biennium. The following is a summary of the amounts appropriated by the Legislative Assembly in prior bienniums and an estimate of the 2023-25 biennium payments to fire departments and districts:

Biennium	Total Payments
2015-17 biennium	\$15,681,207
2017-19 biennium	\$14,235,561
2019-21 biennium	\$17,989,505
2021-23 biennium	\$19,588,470
2023-25 biennium (estimated)	\$20,688,040

State Fire Marshal

The Legislative Assembly, in Senate Bill No. 2211, transferred the State Fire Marshal from the Attorney General's office to the Insurance Commissioner. The transfer included 8 FTE positions and an appropriation of \$2,162,899; of which \$1,797,805 was for salaries and wages and \$365,094 was for operating expenses. Funding for the State Fire Marshal in the Attorney General's office was provided from the general fund, the Attorney General operating fund, and the Reduced Cigarette Ignition Propensity and Firefighter Protection Act Enforcement fund. In the Insurance Commissioner's office funding for the State Fire Marshal is being provided from the Insurance Regulatory Trust Fund and the Reduced Cigarette Ignition Propensity and Firefighter Protection Act Enforcement fund. The 2023 Legislative Assembly authorized 2 additional FTE deputy state fire marshal positions and appropriated \$591,441 from special funds; of which \$407,380 is for salaries and wages and \$184,061 is for related operating expenses, to the State Fire Marshal.

Other Sections in Senate Bill No. 2010

Appropriation - Additional federal funds - Section 3 appropriates any additional income from federal funds that may become available to the Insurance Commissioner for the 2023-25 biennium.

Insurance Commissioner's salary - Section 4 provides the statutory changes necessary to increase the Insurance Commissioner's salary by 14 percent the 1st year and 4 percent the 2nd year as follows:

Annual salary authorized by the Legislative Assembly in 2021:

July 1, 2021	\$112,241
July 1, 2022	\$114,486

Annual salary authorized by the Legislative Assembly in 2023:

July 1, 2023	\$130,000
July 1, 2024	\$135,200

Government self-insurance pools - Section 5 amends Sections 26.1-23.1-02 and 26.1-23.1-06 with exceptions added for Sections 26.1-26-06, 26.1-26-07, and 26.1-26-13.1 relating to government self-insurance pools.

Related Legislation

Senate Bill No. 2015 (2023) - Funding pools - Includes funding pools from which the agency may receive allocations, including the:

- Employer retirement contribution pool from which the agency is to receive \$51,040 from other funds in accordance with provisions of Section 23 of Senate Bill No. 2015 for the 1 percent employer retirement contribution increase provided for in House Bill No. 1040 (2023);
- New and vacant FTE funding pool from which the agency may request funding when hiring new FTE positions or if the agency does not realize sufficient savings from vacant FTE positions in accordance with provisions of Section 22 of Senate Bill No. 2015; and
- Targeted market equity pool from which the agency may receive an allocation as determined by the Office of Management and Budget in accordance with provisions of Section 20 of Senate Bill No. 2015.

Senate Bill No. 2015 - State fire and tornado and state bonding funds - Provides for a Legislative Management study to determine the feasibility and desirability of changing administration of the state fire and tornado fund and state bonding fund from the Insurance Commissioner to the Director of the Office of Management and Budget.

Senate Bill No. 2211 - Insurance tax distribution fund - Continuing appropriation - Transfers the State Fire Marshal from the Attorney General's office to the Insurance Commissioner and provides for a continuing appropriation for payments to fire departments and districts from the insurance tax distribution fund.

Senate Bill No. 2295 (2023) - Unsatisfied judgment fund - Repeals provisions relating to the unsatisfied judgment fund.