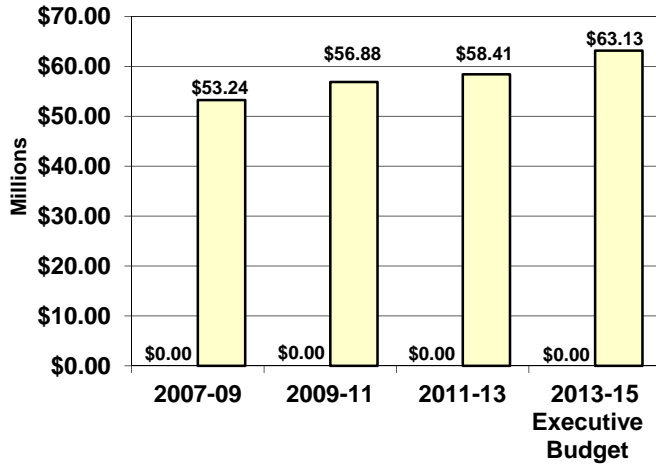


**Department 485 - Workforce Safety and Insurance**  
**House Bill No. 1021**

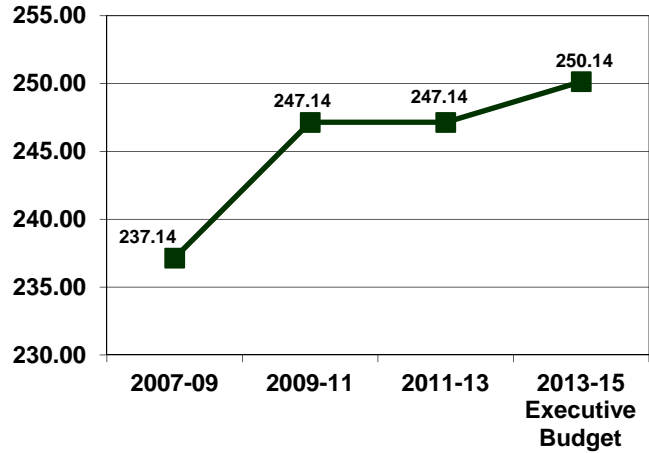
	FTE Positions	General Fund	Other Funds	Total
2013-15 Executive Budget	250.14	\$0	\$63,131,407	\$63,131,407
2011-13 Legislative Appropriations	247.14	0	58,413,293	58,413,293
Increase (Decrease)	3.00	\$0	\$4,718,114	\$4,718,114

**Agency Funding**



■ General Fund □ Other Funds

**FTE Positions**



**First House Action**

Attached is a summary of the first house changes.

**Executive Budget Highlights  
 (With First House Changes in Bold)**

	General Fund	Other Funds	Total
1. Adds the following 7 new FTE positions:			
• Claims adjuster II (including \$10,440 of related operating expenses)		\$167,294	\$167,294
• Claims supervisor (including \$13,190 of related operating expenses)		212,707	212,707
• Vocational rehabilitation supervisor (including \$17,050 of related operating expenses)		199,295	199,295
• Medical case manager supervisor (including \$17,050 of related operating expenses)		213,689	213,689
• Underwriter (including \$10,690 of related operating expenses)		167,543	167,543
• Compliance officer (including \$13,590 of related operating expenses)		159,849	159,849
• Loss control specialist (including \$14,050 of related operating expenses)		183,340	183,340
Total		\$1,303,717	\$1,303,717
2. Transfers 4 FTE positions to the Information Technology Department		(\$753,274)	(\$753,274)
3. Adjusts funding for operating expenses to reflect inflationary adjustments and other budget changes for the 2013-15 biennium		(\$4,779,795)	(\$4,779,795)
4. Adds funding for data warehouse project. <b>The House removed this funding.</b>		\$2,000,000	\$2,000,000
5. Adds funding for web portal project. <b>The House removed this funding.</b>		\$1,500,000	\$1,500,000
6. Adds funding for policy replacement project. <b>The House removed this funding.</b>		\$1,225,000	\$1,225,000
7. Removes 2011-13 funding for back-up generator		(\$472,818)	(\$472,818)

- |   |             |             |
|---|-------------|-------------|
| 8. Provides funding for state employee salary increases of which \$1,970,704 relates to performance increases and \$762,942 is for market equity adjustments. <b>The House added \$68,879 to correct the executive compensation package and reduced by \$1,112,126 funding relating to performance and market equity increases.</b> | \$2,733,646 | \$2,733,646 |
|---|-------------|-------------|

### **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.

### **Significant Audit Findings**

There are no significant audit findings for this agency.

### **Major Related Legislation**

**Senate Bill No. 2080 - Premium payments** - Workforce Safety and Insurance may require the premium, including an advance premium, within any reasonable time in order to secure the payment of premium by the employer. If the employer fails to make payment of premium(s), the employer is considered uninsured and the account is in delinquency status. Workforce Safety and Insurance may then assess penalties and fees accordingly and may assess a penalty of \$2,000 each premium period the employer is uninsured.

ATTACH:1

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1021 - Funding Summary**

	<b>Executive Budget</b>	<b>House Changes</b>	<b>House Version</b>
Workforce Safety and Insurance			
Workforce Safety and Insurance	\$63,131,407	(\$63,131,407)	
Workforce Safety and Insurance operation		56,014,723	56,014,723
Accrued leave payments		1,662,965	1,662,965
	<hr/>	<hr/>	<hr/>
Total all funds	\$63,131,407	(\$5,453,719)	\$57,677,688
Less estimated income	63,131,407	(5,453,719)	57,677,688
General fund	<hr/> \$0	<hr/> \$0	<hr/> \$0
FTE	250.14	0.00	250.14
Bill Total			
Total all funds	\$63,131,407	(\$5,453,719)	\$57,677,688
Less estimated income	63,131,407	(5,453,719)	57,677,688
General fund	<hr/> \$0	<hr/> \$0	<hr/> \$0
FTE	250.14	0.00	250.14

**House Bill No. 1021 - Workforce Safety and Insurance - House Action**

	<b>Executive Budget</b>	<b>House Changes</b>	<b>House Version</b>
Workforce Safety and Insurance	\$63,131,407	(\$63,131,407)	
Workforce Safety and Insurance operation		56,014,723	56,014,723
Accrued leave payments		1,662,965	1,662,965
	<hr/>	<hr/>	<hr/>
Total all funds	\$63,131,407	(\$5,453,719)	\$57,677,688
Less estimated income	63,131,407	(5,453,719)	57,677,688
General fund	<hr/> \$0	<hr/> \$0	<hr/> \$0
FTE	250.14	0.00	250.14

**Department 485 - Workforce Safety and Insurance - Detail of House Changes**

	<b>Corrects Executive Compensation Package<sup>1</sup></b>	<b>Adjusts State Employee Compensation and Benefits Package<sup>2</sup></b>	<b>Provides Separate Line Item for Accrued Leave Payments<sup>3</sup></b>	<b>Removes Funding for Web Portal Project<sup>4</sup></b>	<b>Removes Funding for Policy Replacement Project<sup>5</sup></b>	<b>Removes Funding for Data Warehouse Project<sup>6</sup></b>
Workforce Safety and Insurance			(63,131,407)			
Workforce Safety and Insurance operation	68,879	(1,397,598)	61,468,442	(1,500,000)	(1,225,000)	(2,000,000)
Accrued leave payments			1,662,965			
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total all funds	\$68,879	(\$1,397,598)	\$0	(\$1,500,000)	(\$1,225,000)	(\$2,000,000)
Less estimated income	68,879	(1,397,598)	0	(1,500,000)	(1,225,000)	(2,000,000)
General fund	<hr/> \$0	<hr/> \$0	<hr/> \$0	<hr/> \$0	<hr/> \$0	<hr/> \$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	<b>Provides Funding for Business Process Analysis<sup>7</sup></b>	<b>Provides Funding for IT Staffing Analysis<sup>8</sup></b>	<b>Total House Changes</b>
Workforce Safety and Insurance			(63,131,407)
Workforce Safety and Insurance operation	500,000	100,000	56,014,723
Accrued leave payments			1,662,965
Total all funds	\$500,000	\$100,000	(\$5,453,719)
Less estimated income	500,000	100,000	(5,453,719)
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00

<sup>1</sup> Funding is added due to a calculation error in the executive compensation package.

<sup>2</sup> 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 equity component from 2 to 4 percent per year for employees below the midpoint of their salary range 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.

<sup>3</sup> 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.

<sup>4</sup> This amendment removes funding included in the executive budget for the web portal project.

<sup>5</sup> This amendment removes funding for the policy replacement project included in the executive budget.

<sup>6</sup> This amendment removes funding for the data warehouse project included in the executive budget.

<sup>7</sup> This amendment provides funding to hire a consultant and for the Information Technology Department to conduct a business process analysis. A section is also added to the bill regarding this analysis.

<sup>8</sup> This amendment provides funding for an information technology staffing analysis, including the feasibility of transferring additional information technology staff from Workforce Safety and Insurance to the Information Technology Department. A section is also added to the bill regarding this analysis.