

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1010 - Funding Summary

| | Base Budget | Final Legislative Action | Comparison to Base Budget |
|-----------------------------|---------------------|---------------------------------|----------------------------------|
| Insurance Department | | | |
| Salaries and wages | \$8,943,097 | \$8,549,567 | (\$393,530) |
| Operating expenses | 2,512,042 | 2,179,777 | (332,265) |
| Fire department grants | 16,571,207 | 15,064,086 | (1,507,121) |
| Total all funds | \$28,026,346 | \$25,793,430 | (\$2,232,916) |
| Less estimated income | 28,026,346 | 25,793,430 | (2,232,916) |
| General fund | \$0 | \$0 | \$0 |
| FTE | 49.50 | 46.00 | (3.50) |
| Bill Total | | | |
| Total all funds | \$28,026,346 | \$25,793,430 | (\$2,232,916) |
| Less estimated income | 28,026,346 | 25,793,430 | (2,232,916) |
| General fund | \$0 | \$0 | \$0 |
| FTE | 49.50 | 46.00 | (3.50) |

House Bill No. 1010 - Insurance Department - House Action

| | Base Budget | House Changes | House Version |
|------------------------|---------------------|----------------------|----------------------|
| Salaries and wages | \$8,943,097 | (\$441,618) | \$8,501,479 |
| Operating expenses | 2,512,042 | (332,265) | 2,179,777 |
| Fire department grants | 16,571,207 | (2,733,357) | 13,837,850 |
| Total all funds | \$28,026,346 | (\$3,507,240) | \$24,519,106 |
| Less estimated income | 28,026,346 | (3,507,240) | 24,519,106 |
| General fund | \$0 | \$0 | \$0 |
| FTE | 49.50 | (3.50) | 46.00 |

Department 401 - Insurance Department - Detail of House Changes

| | Adds Funding for Base Payroll Changes¹ | Adds Funding for Health Insurance Increases² | Removes FTE Positions³ | Removes Funding for Retention Bonuses⁴ | Reduces Funding for Operating Expenses⁵ | Adjusts Funding Between Line Items⁶ |
|------------------------|--|--|--|--|---|---|
| Salaries and wages | 240,791 | 134,513 | (782,322) | (9,600) | | (25,000) |
| Operating expenses | | | | | (357,265) | 25,000 |
| Fire department grants | | | | | | |
| Total all funds | \$240,791 | \$134,513 | (\$782,322) | (\$9,600) | (\$357,265) | \$0 |
| Less estimated income | 240,791 | 134,513 | (782,322) | (9,600) | (357,265) | 0 |
| General fund | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| FTE | 0.00 | 0.00 | (3.50) | 0.00 | 0.00 | 0.00 |

| | Reduces Funding for the North Dakota Firefighter's Association⁷ | Reduces Funding for Fire Department Grants⁸ | Total House Changes |
|------------------------|---|---|------------------------------------|
| Salaries and wages | | | (441,618) |
| Operating expenses | | | (332,265) |
| Fire department grants | (128,918) | (2,604,439) | (2,733,357) |
| Total all funds | (\$128,918) | (\$2,604,439) | (\$3,507,240) |
| Less estimated income | (128,918) | (2,604,439) | (3,507,240) |
| General fund | \$0 | \$0 | \$0 |
| FTE | 0.00 | 0.00 | (3.50) |

¹ Funding is added for cost-to-continue 2015-17 biennium salaries and benefit increases and for other base payroll changes.

² Funding is added for increases in health insurance premiums from \$1,130 to \$1,249 per month.

³ The following FTE positions and related funding are removed:

| | FTE | Special Funds |
|----------------------------|------------|----------------------|
| Senior examiner | (1.00) | (\$261,952) |
| Office assistant | (0.50) | (65,037) |
| Nonclassified professional | (1.00) | (289,471) |
| Additional reduction | (1.00) | (165,862) |
| Total | (3.50) | (\$782,322) |

⁴ Funding for employee retention bonuses is removed.

⁵ Funding is reduced for operating expenses, including travel, operating fees and services, and professional services.

⁶ The salaries and wages line item is reduced by \$25,000 from the insurance regulatory trust fund and the operating expenses line item is increased by \$25,000 from the state fire and tornado fund.

⁷ Funding from the insurance tax distribution fund is decreased from \$890,000 to \$761,082 for payments to the North Dakota Firefighter's Association. This amount reflects 5.5 percent of the total amount appropriated from the insurance tax distribution fund for payments to fire departments and the North Dakota Firefighter's Association. Including \$130,000 of one-time funding appropriated for payments to the North Dakota Firefighter's Association for the 2015-17 biennium, this funding reduction results in increased estimated general fund revenue of \$258,918 for the 2017-19 biennium.

⁸ Funding from the insurance tax distribution fund for grants to fire departments is reduced from \$15,681,207 to \$13,076,768. This amount represents 94.5 percent of the total amount appropriated from the insurance tax distribution fund for payments to fire departments and the North Dakota Firefighter's Association. This funding reduction results in increased estimated general fund revenue of \$2,604,439 for the 2017-19 biennium.

This amendment also:

- Adds a section to identify the amount appropriated relating to increases in employee health insurance premiums from \$1,130 to \$1,249 per month.
- Adjusts Section 4 to reflect the amounts appropriated for payments to North Dakota fire departments and the North Dakota Firefighter's Association.
- Adjusts the amounts identified in Sections 5 through 8 to reflect the appropriations made in Section 1.
- Adds a section to transfer funding carried over pursuant to Section 7 of Chapter 50 of the 2015 Session Laws from the insurance tax distribution fund to the general fund. The transfer to the general fund is estimated to be \$475,000.
- Adds a section to amend North Dakota Century Code Section 18-04-05, relating to payments to fire departments from the insurance tax distribution fund.

House Bill No. 1010 - Insurance Department - Senate Action

| | Base Budget | House Version | Senate Changes | Senate Version |
|------------------------|---------------------|----------------------|-----------------------|-----------------------|
| Salaries and wages | \$8,943,097 | \$8,501,479 | \$156,116 | \$8,657,595 |
| Operating expenses | 2,512,042 | 2,179,777 | | 2,179,777 |
| Fire department grants | 16,571,207 | 13,837,850 | 2,733,357 | 16,571,207 |
| Total all funds | \$28,026,346 | \$24,519,106 | \$2,889,473 | \$27,408,579 |
| Less estimated income | 28,026,346 | 24,519,106 | 2,889,473 | 27,408,579 |
| General fund | \$0 | \$0 | \$0 | \$0 |
| FTE | 49.50 | 46.00 | 1.00 | 47.00 |

Department 401 - Insurance Department - Detail of Senate Changes

| | Adjusts Funding for Health Insurance Increases¹ | Restores FTE Position² | Adds Funding for the North Dakota Firefighter's Association³ | Restores Funding for Fire Department Grants⁴ | Total Senate Changes |
|------------------------|---|--|--|--|-----------------------------|
| Salaries and wages | (9,746) | 165,862 | | | 156,116 |
| Operating expenses | | | | | |
| Fire department grants | | | 150,334 | 2,583,023 | 2,733,357 |
| Total all funds | (\$9,746) | \$165,862 | \$150,334 | \$2,583,023 | \$2,889,473 |
| Less estimated income | (9,746) | 165,862 | 150,334 | 2,583,023 | 2,889,473 |
| General fund | \$0 | \$0 | \$0 | \$0 | \$0 |
| FTE | 0.00 | 1.00 | 0.00 | 0.00 | 1.00 |

¹ Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month. Section 2 is also adjusted to reflect the change.

² Funding of \$165,862 and 1 FTE position removed by the House are restored.

³ Funding is increased by \$150,334, to provide a total of \$911,416 from the insurance tax distribution fund for the North Dakota Firefighter's Association. The House provided \$761,082 from the insurance tax distribution fund for the North Dakota Firefighter's Association. Section 4 is also adjusted to reflect the change. This funding increase results in decreased estimated general fund revenue of \$150,334 for the 2017-19 biennium.

⁴ Funding of \$2,583,023 is restored, to provide a total of \$15,659,791 from the insurance tax distribution fund for payments to fire departments. The House provided \$13,076,768 from the insurance tax distribution fund for payments to fire departments. Section 4 is also adjusted to reflect the change. This funding increase results in decreased estimated general fund revenue of \$2,583,023 for the 2017-19 biennium.

House Bill No. 1010 - Insurance Department - Conference Committee Action

| | Base Budget | House Version | Conference Committee Changes | Conference Committee Version | Senate Version | Comparison to Senate |
|------------------------|---------------------|----------------------|-------------------------------------|-------------------------------------|-----------------------|-----------------------------|
| Salaries and wages | \$8,943,097 | \$8,501,479 | \$48,088 | \$8,549,567 | \$8,657,595 | (\$108,028) |
| Operating expenses | 2,512,042 | 2,179,777 | | 2,179,777 | 2,179,777 | |
| Fire department grants | 16,571,207 | 13,837,850 | 1,226,236 | 15,064,086 | 16,571,207 | (1,507,121) |
| Total all funds | \$28,026,346 | \$24,519,106 | \$1,274,324 | \$25,793,430 | \$27,408,579 | (\$1,615,149) |
| Less estimated income | 28,026,346 | 24,519,106 | 1,274,324 | 25,793,430 | 27,408,579 | (1,615,149) |
| General fund | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| FTE | 49.50 | 46.00 | 0.00 | 46.00 | 47.00 | (1.00) |

Department 401 - Insurance Department - Detail of Conference Committee Changes

| | Adjusts Funding for Health Insurance Increases¹ | Adjusts Funding for FTE Position Removed by the House² | Restores Funding for the North Dakota Firefighter's Association³ | Restores Funding for Fire Department Grants⁴ | Total Conference Committee Changes |
|------------------------|---|--|--|--|---|
| Salaries and wages | (9,746) | 57,834 | | | 48,088 |
| Operating expenses | | | | | |
| Fire department grants | | | 67,443 | 1,158,793 | 1,226,236 |
| Total all funds | (\$9,746) | \$57,834 | \$67,443 | \$1,158,793 | \$1,274,324 |
| Less estimated income | (9,746) | 57,834 | 67,443 | 1,158,793 | 1,274,324 |
| General fund | \$0 | \$0 | \$0 | \$0 | \$0 |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

¹ Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month. Section 2 is also adjusted to reflect the change.

² Funding is adjusted to restore \$57,834 relating to 1 FTE position removed by the House, to provide for a total reduction of \$108,028 and the removal of 1 FTE licensing specialist position. The House removed the 1 FTE position and \$165,862. The Senate did not remove the funding or the FTE position.

³ Funding of \$67,443 is restored from the House version to provide a total of \$828,525 from the insurance tax distribution fund for the North Dakota Firefighter's Association. The House provided \$761,082 from the insurance tax distribution fund for the North Dakota Firefighter's Association. The Senate provided \$911,416 from the insurance tax distribution fund for the North Dakota Firefighter's Association. Section 4 is also adjusted to reflect the change. This funding adjustment results in increased estimated general fund revenue of \$82,891 for the 2017-19 biennium compared to the Senate version.

⁴ Funding of \$1,158,793 is restored from the House version to provide a total of \$14,235,561 from the insurance tax distribution fund for payments to fire departments. The House provided \$13,076,768 from the insurance tax distribution fund for payments to fire departments. The Senate provided \$15,659,791 from the insurance tax distribution fund for payments to fire departments. Section 4 is also adjusted to reflect the change. This funding adjustment results in increased estimated general fund revenue of \$1,424,230 for the 2017-19 biennium compared to the Senate version.