

**Workers Compensation Bureau
Budget 485
House Bill No. 1024**

	FTE Positions	General Fund	Other Funds	Total
2001-03 legislative appropriation	218.00		\$31,641,340	\$31,641,340
1999-2001 legislative appropriation	191.00		26,120,384	26,120,384
2001-03 appropriation increase (decrease) to 1999-2001 appropriation	27.00	\$0	\$5,520,956	\$5,520,956

Fund surplus. **Item Description**

Status/Result

As of June 30, 2001, the Workers Compensation Bureau had assets of \$1,114,218,758 and liabilities of \$735,586,741 creating a fund surplus of \$378,632,017, of which \$250,000,000 was reserved.

As of June 30, 2000, the Workers Compensation Bureau had assets of \$1,155,091,317 and liabilities of \$778,849,283 creating a fund surplus of \$376,242,034, of which \$250,000,000 was reserved.

Workers Compensation Bureau facility - House Bill No. 1266 (1999) provided a continuing appropriation to the Workers Compensation Bureau of money in the workers' compensation fund for the purchase of a building and property to house its operations. The 2001 Legislative Assembly, in House Bill No. 1024, provided that the Industrial Commission at the request of the Workers Compensation Bureau may issue and sell bonds for the purchase of land and the construction of a new facility to house its operations. The 2001 Legislative Assembly also provided that if a new Workers Compensation Bureau facility is built, the facility should be built to include rental space for other state agencies.

In October 2001 the Workers Compensation Bureau awarded contracts totaling \$9.59 million for construction of a new Workers Compensation Bureau facility at 1600 East Century Avenue in Bismarck. The facility will be comprised of four floors and encompass 112,000 square feet. The bureau anticipates using fund reserves to pay for the cost of construction estimated at \$11.5 million. The project is anticipated to be completed in June 2003.

The Workers Compensation Bureau will occupy the third and fourth floors and a small portion of the second floor of the building. The Department of Commerce will lease a majority of the space on the second floor and other state agencies will lease the remainder of the second floor and half of the first floor. The remainder of the first floor is dedicated to storage, building maintenance, and mechanical rooms. Initial rental fees are estimated to be \$13 per square foot.

Employee positions authorization - Section 2 of House Bill No. 1024 allows the Workers Compensation Board of Directors to authorize the Workers Compensation Bureau to hire, upon a determination that employees are needed to facilitate the economic and efficient administration of the bureau, up to 10 FTE positions in addition to the FTE positions authorized by the 2001 Legislative Assembly. The Legislative Assembly provided an appropriation of \$500,000 for the purpose of providing wages, salaries, and benefits for any additional FTE position authorized.

As of March 2002 the Workers Compensation Board of Directors has authorized the Workers Compensation Bureau to hire 9.67 FTE positions in addition to the FTE positions authorized by the 2001 Legislative Assembly. Of the 9.67 FTE positions, 2 are advocate positions for the bureau's Office of Independent Review, 6.67 are information technology positions for the bureau's Information Services Division, and 1 is a facility manager for the new facility under construction. The Workers Compensation Bureau estimates savings of \$595,000 for the 2001-03 biennium by hiring these positions instead of contracting for the services. Contracting for these services would have cost over \$1 million for the biennium.

Compensation of board members - Section 7 of House Bill No. 1024 amends North Dakota Century Code Section 65-02-03.2 to allow the Workers Compensation Board of Directors to receive compensation as determined by the board for time spent relating to business of the board.

Safety grant program - The 2001 Legislative Assembly provided funding of \$1,291,600 for the safety grant program, which represents an increase of \$691,600 from the funding provided for the program in the 1999-2001 biennium of \$600,000.

Preferred workers program - House Bill No. 1153 (2001) allows the Workers Compensation Bureau to establish a preferred workers program that provides a premium discount for those employers who hire a previously injured worker.

The Workers Compensation Board of Directors approved the same level of compensation for performing official duties as provided to members of the Legislative Assembly for attendance at meetings of the Legislative Council and its committees, \$100 per day plus reimbursement for related expenses incurred.

The safety grant program provides funding to specific industries that cause significant losses to the workers' compensation fund to allow them to provide specialized loss control services to their employees.

As of March 2002 the Workers Compensation Bureau has awarded safety program grants totaling \$1,158,000 to the Associated General Contractors of North Dakota, the North Dakota Motor Carriers Association, the North Dakota Automobile Dealers Association, the North Dakota Implement Dealers Association, the North Dakota Labor Education Council, the North Dakota Association of Counties, the North Dakota Safety Council, and the Risk Management Division of the Office of Management and Budget.

The Workers Compensation Bureau is completing the development stage of the preferred workers program and anticipates implementing the program in April 2002. The goal of the program is to match injured workers with physically appropriate jobs if their original employer cannot find work for them within their work restrictions. The employer would not have to pay a premium on that employee for three years, and if that employee were injured on the job within the first three years, the injury would not impact the employer's experience rate.