

STATEMENT OF PURPOSE OF AMENDMENT:**House Bill No. 1010 - Funding Summary**

| | Executive Budget | Final Legislative Action | Comparison To Executive Budget |
|-----------------------|-----------------------------|---|---|
| Insurance Department | | | |
| Salaries and wages | \$5,080,549 | \$5,053,657 | (\$26,892) |
| Operating expenses | 2,113,377 | 2,163,377 | 50,000 |
| Grants | 5,304,000 | 6,420,000 | 1,116,000 |
| Total all funds | <u>\$12,497,926</u> | <u>\$13,637,034</u> | <u>\$1,139,108</u> |
| Less estimated income | <u>12,497,926</u> | <u>13,637,034</u> | <u>1,139,108</u> |
| General fund | \$0 | \$0 | \$0 |
| FTE | 46.50 | 46.50 | 0.00 |
| Bill Total | | | |
| Total all funds | \$12,497,926 | \$13,637,034 | \$1,139,108 |
| Less estimated income | <u>12,497,926</u> | <u>13,637,034</u> | <u>1,139,108</u> |
| General fund | \$0 | \$0 | \$0 |
| FTE | 46.50 | 46.50 | 0.00 |

House Bill No. 1010 - Insurance Department - House Action

| | Executive Budget | House Changes | House Version |
|-----------------------|-----------------------------|--------------------------|--------------------------|
| Salaries and wages | \$5,080,549 | (\$20,902) | \$5,059,647 |
| Operating expenses | 2,113,377 | | 2,113,377 |
| Grants | 5,304,000 | 2,116,000 | 7,420,000 |
| Total all funds | <u>\$12,497,926</u> | <u>\$2,095,098</u> | <u>\$14,593,024</u> |
| Less estimated income | <u>12,497,926</u> | <u>2,095,098</u> | <u>14,593,024</u> |
| General fund | \$0 | \$0 | \$0 |
| FTE | 46.50 | 0.00 | 46.50 |

Department No. 401 - Insurance Department - Detail of House Changes

| | Reduces Compensation Package to 3/4 | Increases Funding for Payments to Fire Departments¹ | Adds Funding for a Grant to the ND Association of Oil and Gas Producing Counties² | Total House Changes |
|-----------------------|--|---|---|--------------------------------|
| Salaries and wages | (\$20,902) | | | (\$20,902) |
| Operating expenses | | | | |
| Grants | | 2,016,000 | 100,000 | 2,116,000 |
| Total all funds | (\$20,902) | \$2,016,000 | \$100,000 | \$2,095,098 |
| Less estimated income | <u>(20,902)</u> | <u>2,016,000</u> | <u>100,000</u> | <u>2,095,098</u> |
| General fund | \$0 | \$0 | \$0 | \$0 |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 |

¹ This amendment adds funding of \$2,016,000 from insurance premium tax collections for increasing funding for making payments to fire departments by \$2 million from \$5.2 million to \$7.2 million and for making two equal payments to the North Dakota Firefighter's

Association by \$16,000 from \$104,000 to \$120,000. This change would reduce the amount of general fund revenues available for the 2005-07 biennium by \$2,016,000.

² This amendment adds funding of \$100,000 from insurance premium tax collections for providing a grant to the North Dakota Association of Oil and Gas Producing Counties for the establishment of a Williston Basin oilfield fire training facility at Dickinson. This change would reduce the amount of general fund revenues available for the 2005-07 biennium by \$100,000.

House Bill No. 1010 - Insurance Department - Senate Action

| | Executive Budget | House Version | Senate Changes | Senate Version |
|-----------------------|---------------------|------------------|-------------------|-------------------|
| Salaries and wages | \$5,080,549 | \$5,059,647 | (\$5,990) | \$5,053,657 |
| Operating expenses | 2,113,377 | 2,113,377 | 50,000 | 2,163,377 |
| Grants | 5,304,000 | 7,420,000 | (1,025,000) | 6,395,000 |
| Total all funds | \$12,497,926 | \$14,593,024 | (\$980,990) | \$13,612,034 |
| Less estimated income | 12,497,926 | 14,593,024 | (980,990) | 13,612,034 |
| General fund | \$0 | \$0 | \$0 | \$0 |
| FTE | 46.50 | 46.50 | 0.00 | 46.50 |

Department No. 401 - Insurance Department - Detail of Senate Changes

| | Reduces Recommended Funding for Health Insurance ¹ | Provides Funding for Implementing Methamphetamine Security Measures ² | Reduces Funding for Payments to Fire Departments ³ | Reduces Funding for a Grant to the ND Assoc. of Oil and Gas Producing Counties ⁴ | Total Senate Changes |
|-----------------------|---|---|---|---|-------------------------|
| Salaries and wages | (\$5,990) | | | | (\$5,990) |
| Operating expenses | | 50,000 | | | 50,000 |
| Grants | | | (1,000,000) | (25,000) | (1,025,000) |
| Total all funds | (\$5,990) | \$50,000 | (\$1,000,000) | (\$25,000) | (\$980,990) |
| Less estimated income | (5,990) | 50,000 | (1,000,000) | (25,000) | (980,990) |
| General fund | \$0 | \$0 | \$0 | \$0 | \$0 |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

¹ This amendment reduces funding for state employee health insurance premiums from \$559.15 to \$553.95 per month.

² This amendment provides a \$50,000 special funds appropriation from the insurance regulatory trust fund for implementing methamphetamine security measures, including the purchase and distribution of locking devices. The amendment also adds a new section to the bill allowing the commissioner to designate the counties of Walsh, Cavalier, and Pembina as a critical methamphetamine-use zone.

³ This amendment reduces funding provided from the insurance premium tax collections for payments to fire departments by \$1 million, from \$7.2 million as provided by the House to \$6.2 million. Funding of \$6.2 million represents an increase in funding of \$1 million from the \$5.2 million provided in the 2003-05 biennium.

⁴ This amendment reduces funding provided from the insurance premium tax collections for a grant to the North Dakota Association of Oil and Gas Producing Counties by \$25,000, from \$100,000 as provided by the House to \$75,000.

This amendment also provides for a Legislative Council study of accident and health insurance loss ratios.

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

| | Executive Budget | House Version | Conf. Com. Changes | Conf. Com. Version | Senate Version | Comparison to Senate |
|-----------------------|-----------------------------|--------------------------|-------------------------------|-------------------------------|---------------------------|---------------------------------|
| Salaries and wages | \$5,080,549 | \$5,059,647 | (\$5,990) | \$5,053,657 | \$5,053,657 | |
| Operating expenses | 2,113,377 | 2,113,377 | 50,000 | 2,163,377 | 2,163,377 | |
| Grants | 5,304,000 | 7,420,000 | (1,000,000) | 6,420,000 | 6,395,000 | 25,000 |
| Total all funds | \$12,497,926 | \$14,593,024 | (\$955,990) | \$13,637,034 | \$13,612,034 | \$25,000 |
| Less estimated income | 12,497,926 | 14,593,024 | (955,990) | 13,637,034 | 13,612,034 | 25,000 |
| General fund | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| FTE | 46.50 | 46.50 | 0.00 | 46.50 | 46.50 | 0.00 |

Department No. 401 - Insurance Department - Detail of Conference Committee Changes

| | Reduces Recommended Funding for Health Insurance¹ | Provides Funding for Implementing Methamphetamine Security Measures² | Reduces Funding for Payments to Fire Departments³ | Total Conference Committee Changes |
|-----------------------|---|--|---|---|
| Salaries and wages | (\$5,990) | | | (\$5,990) |
| Operating expenses | | 50,000 | | 50,000 |
| Grants | | | (1,000,000) | (1,000,000) |
| Total all funds | (\$5,990) | \$50,000 | (\$1,000,000) | (\$955,990) |
| Less estimated income | (5,990) | 50,000 | (1,000,000) | (955,990) |
| General fund | \$0 | \$0 | \$0 | \$0 |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 |

¹ This amendment reduces funding for state employee health insurance premiums from \$559.15 to \$553.95 per month.

² The conference committee agreed with the Senate amendment to provide a \$50,000 special funds appropriation from the insurance regulatory trust fund for implementing methamphetamine security measures, including the purchase and distribution of locking devices. The conference committee also agreed with the Senate amendment to add a new section to the bill allowing the commissioner to designate the counties of Walsh, Cavalier, and Pembina as a critical methamphetamine-use zone.

³ The conference committee agreed with the Senate amendment to reduce funding provided from the insurance premium tax collections for payments to fire departments by \$1 million, from \$7.2 million as provided by the House to \$6.2 million. Funding of \$6.2 million represents an increase in funding of \$1 million from the \$5.2 million provided in the 2003-05 biennium.

The conference committee agreed to provide funding of \$100,000 from insurance premium tax collections for a grant to the North Dakota Association of Oil and Gas Producing Counties, the same level as provided by the House. The Senate had reduced funding for the grant by \$25,000, from \$100,000 to \$75,000.

The conference committee agreed with the Senate amendment to add a section to the bill to provide for a Legislative Council study of accident and health insurance loss ratios.

The conference committee also agreed to add a section to the bill to provide for a Legislative Council study of health care and health insurance. This study was not included in either the House or Senate version of the bill.