

2009 HOUSE APPROPRIATIONS

HB 1010

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1010

House Appropriations Committee
Government Operations Division

☐ Check here for Conference Committee

Hearing Date: 1/13/09

Recorder Job Number: 6867

Committee Clerk Signature

Tonya Voegsch

Minutes:

Chairman Delzer opened the hearing on House Bill 1010. Roll call was taken with all members present.

Attachments Provided

Budget Presentation- 1010.1.13.09A

Testimony from Lois Hartman- 1010.1.13.09B

North Dakota: Four Years Later- 1010.1.13.09C

Letter from the Garrison Fire Chief- 1010.1.13.09D

Adam Hamm, Insurance Commissioner presented his written testimony.

Chairman Delzer: Administrative fines and relief where does that go?

Adam Hamm, Insurance Commissioner: That is turn back going back to the General Fund.

Chairman Delzer: The \$3.8million?

Adam Hamm, Insurance Commissioner: That is correct.

Chairman Delzer: Your CMS grants, are those used for outreach?

Adam Hamm, Insurance Commissioner: That is correct. Among other things, yes it is used for outreach. It is also used to administer those programs.

Representative Glassheim: How do the fines work?

Adam Hamm, Insurance Commissioner: With respect to the 2007, the administrative fine from agents and companies, the \$754,000, the lion's share of that was a fine that was levied against Farmers Insurance. Most of that was from one case that began with an inquiry into the department. We started an investigation of Farmer's Insurance. At the end of the day, there were fines levied by the former commissioner Jim Poolman of \$750,000. Once again if you go down further on that page and you look at administrative relief from agents and companies, that one primarily consists of one file. It was the Cottingham Agency. There was money recovered because of what took place in that investigation. The Cottingham Agency returned that money ultimately to the folks that were grieved in that matter. In any given year those figures might appear large. It is all going to depend from year to year what is taking place in the industry and what investigations are being started by the department and where those things lead. Like I indicated we are not looking for those things but obviously if we find them we run them to the ground and ultimately make a decision on what to do.

Representative Berg: What I would like to highlight is the two programs. The savings for ND citizens in the State Health Insurance Counseling (SHIC) Program, that is pretty substantial, \$3.4million and Prescription Connection \$2.7million. I think that was program that was instituted a couple of sessions ago. If you could take a minute on these successes and tell a little bit about these programs and what constituents we have that could plug into that.

Adam Hamm, Insurance Commissioner: It does, like I touched on just briefly earlier, highlight two programs that are growing by leaps and bounds within the Insurance Department. The SHIC Program is funded through the Centers for Medicare and Medicaid grants. The SHIC

program provides free confidential health insurance counseling for Medicare beneficiaries and their families. Prescription Connection Program helps low income North Dakotans find low cost and no cost prescription drugs by connecting them with what are called prescription assistance programs or PAPS for short offered by pharmaceutical manufacturers. I can tell you that with respect with our Prescription Connection Program since it was started a few years back, the success rate of this program, finding some path for person applying for assistance is over 99%. What has happened over the last few years both with respect to the SHIC program and the Prescription Connection is that more and more North Dakotans are becoming aware of these service, how beneficial they are, how much assistance they can receive and that's why you are seeing the amount of folks year to year continuing to rise and then the amount of relief that is going to North Dakotans increasing. We need to make sure going forward in the next four or five years that we are meeting that need and that we are making sure that we are adequately staffed, that we have the correct resources so we can meet this growing need that is out there.

Mr. Hamm continued his testimony with the organizational chart.

Chairman Delzer: Are the three vacant positions listed on your organizational chart still vacant?

Adam Hamm, Insurance Commissioner: There are actually four. The vacant positions, if you start on the left side of page four, in the legal division.

Chairman Delzer: We don't need to get into that much of the detail today but how long have they been vacant?

Adam Hamm, Insurance Commissioner: The Senior Examiner which is in the Examinations and Company Licensing Division has been vacant for a couple of years. The Insurance Investigator position has been vacant for a long time.

Chairman Delzer: Have these positions been fully funded?

Adam Hamm, Insurance Commissioner: Yes. The fourth one is a position that used to be taken by someone who was a division director of the office. When they left the office and we reorganized and restructured the department that position was left open. We then relocated that to the Administrative Division. We are still trying to figure out what to do with that and out of respect we are going to ask for some flexibility with that. We don't want to let that position go. As I indicated with 46.5 folks we are the third smallest Insurance Department in the country. We believe that before long we will be able to fill all four of those spots.

Mr. Hamm continued his testimony with the overviews of the Divisions of the Insurance Department.

Representative Kempenich: The petroleum tank fund, how much is that being used?

Adam Hamm, Insurance Commissioner: If you look at page 12 of the testimony it describes that fund. Annually 1648 tank owners pay a registration fee for a little over 4770 tanks.

Representative Kempenich: I see that you are paying out about \$1.3million?

Adam Hamm, Insurance Commissioner: Yes, if you turn to page fourteen, it itemizes the lost claims payable from each of the four funds that it is talking about. The Petroleum Tank Fund that you are referring to as you can see has a reserve balance a little over \$5.6 and the minimum requirement is \$6million and lost claims payable a little over \$1.3million. With respect to that fund as you can see we are in the hole about \$350,000 in that one. If by July 1st, we are

not over \$6million the fee for each of those tank owners has to go from \$50 to \$100 to make sure we get back above that minimum balance.

Chairman Delzer: That is set by statute?

Adam Hamm, Insurance Commissioner: Correct. Then also on page fourteen, it itemizes each of the other funds. All of which have a favorable balance projected as of the end of 2008. It is important to know that the state bonding fund we will be below \$2million. Once that happens by statute, if it does go below \$2million, an assessment needs to be done. That assessment has to continue until we get the fund back to \$3million. Obviously we do not want to have to do that. There has not been an assessment since 1953 and we don't want to have to do one now.

Mr. Hamm continued explaining the State Bonding Fund.

Chairman Delzer: If the assessment was made who pays for it?

Adam Hamm, Insurance Commissioner: All political subdivisions pay for it.

Chairman Delzer: What is the \$41,000 for the bonding fund? Is that just administrative?

Adam Hamm, Insurance Commissioner: Yes.

Chairman Delzer: Has there ever been a case where the General Fund has put money in?

Adam Hamm, Insurance Commissioner: I don't believe we have ever had this situation.

Representative Kempenich: INAUDIBLE

Chairman Delzer: We will have to research to see if that is possible.

Representative Kempenich: What I was looking at is either we take General Fund money
INAUDIBLE

Chairman Delzer: The requirement is that if the assessment is done, those funds need to stay there until there is \$3million in the fund.

Representative Berg: Probably a decade ago that is what we did. So long term the projected cost of balance I think it was a short term gift.

Adam Hamm, Insurance Commissioner: I just wanted to make sure we touched on that. It was not part of the presentation.

Representative Glassheim: What do you estimate the short fall might be below two million?

Adam Hamm, Insurance Commissioner: It is really hard to tell. There was a time about 2 weeks ago when it looked like we would be substantially below. However now it is looking like the investment returns and outcomes in December might not be as bad as we had projected earlier. Where we are going to be sitting, it is kind of hard for me to tell you. Give me a couple more weeks and I can tell you.

Chairman Delzer: We will get more into that when we get into the detail.

Mr. Hamm continued with his testimony on page sixteen.

Chairman Delzer: We are going to need a list of who got fire district grants this biennium and what you expect to do with the \$500,000 next time?

Representative Kempenich: Does that go on top of that \$6.2million?

Adam Hamm, Insurance Commissioner: Yes. We had \$6.2million which is the fire district payments. On top of that we have these grants. One of these grants is the additional request that the Governor's Office made for \$500,000. On top of that we have \$120,000 which is typically there. There is another \$170,000 through the Fire and Tornado Fund. If you add up all of those numbers it gets you to \$6,990,000 that is either going to fire district payments or to the North Dakota Fire Fighters Association.

Representative Kempenich: What is the balance of that Insurance Distribution fund?

Adam Hamm, Insurance Commissioner: If you are referring to the Premium Tax going back to page three of the handout which describes how much is brought in each year. In 2007, it was \$27million. I don't know what it was in 2008. I don't have that number yet. We are projecting over the next few years that we will collect about \$67-68million in premium tax. If you deduct that out it is \$6.99million. Everything above and beyond that goes to the General Fund

Chairman Delzer: A couple of years ago, it seemed to me that we increased the amount that went back out to the fire districts. Is that continued or a onetime fund?

Adam Hamm, Insurance Commissioner: I do not know the answer to that but I just heard from the back the answer is yes it is continued.

Mr. Hamm continued his testimony on page 17.

Chairman Delzer: This page (20) we are going to want for all of the fire districts.

Adam Hamm, Insurance Commissioner: To answer your previous question about was it increased to \$6.29million. The answer is yes. In the 2003-05 budget it was \$5.2million. It was increased in 2005.

Testimony continued.

Chairman Delzer: Are we collecting on the Fire and Tornado fund?

Adam Hamm, Insurance Commissioner: Yes. The Fire and Tornado Fund is described on page eleven.

Chairman Delzer: Do we collect from each particular agency or one agency in the state for all of it?

Adam Hamm, Insurance Commissioner: The Fire and Tornado Fund insures public property and is a premium on each building. As you can see there are about 8900 public buildings covered. Total insured value is a little over \$8.6billion.

Chairman Delzer: I know that some years we have payments to the Fire and Tornado fund and some years we suspend them.

Adam Hamm, Insurance Commissioner: Yes. This year we will have payments into the Fire and Tornado Fund. If you go back to page eleven you will see what we have done in terms of a rate change going back to 2002. As you can see in 2007 there is a 50% credit and in 2008 there is a 33% premium credit.

Representative Kaldor: How does the premium credit function as opposed to a straight out reduction? Is it a credit against the premium paid is that how it works?

Adam Hamm, Insurance Commissioner: That is how that works.

Representative Kaldor: It is a onetime thing it does not remain at that level but the next year it would go back.

Adam Hamm, Insurance Commissioner: We do an analysis every year to see what the premium should be.

Testimony continued on page eighteen.

Representative Kempenich: What is the range for that position of the Senior Insurance Company Examiner?

Adam Hamm, Insurance Commissioner: I believe we have increased it to the top is \$80,000.

Representative Kempenich: What is the average?

Adam Hamm, Insurance Commissioner: Six figures. It is very difficult. That is a big reason why this position has been vacant as long as it has. We have to continue to try to fill this position.

Representative Kempenich: How are you getting around these accreditations?

Adam Hamm, Insurance Commissioner: We have either been able to get around it or fill it with positions that we already have. At some point this issue is going to bubble to the surface where if we don't have this position filled it is going to be problematic. We will continue to do everything we can to fill the position.

Mr. Hamm continued his testimony with the salary increase request.

Chairman Delzer: What is the end of biennium adjustment?

Tammy Dolan, OMB: It was the cost to continue adjustments that OMB made in the base budget for the second year salary increase.

Adam Hamm, Insurance Commissioner: They don't do the five on top of the first years five.

Mr. Hamm continued his testimony.

Chairman Delzer: Where did you come up with the general payroll increase numbers? What did you do with the vacant position money that you already had?

Adam Hamm, Insurance Commissioner: When you add up the total salaries and benefits for those four vacant positions it adds up to about \$646,000. That money is partially rolled into this \$812,000.

Chairman Delzer: How?

Adam Hamm, Insurance Commissioner: Part of that equity plan to catch folks up and it is part of that general salary increase number.

Chairman Delzer: Are you giving that in the current biennium? If you are giving that in the current biennium, you have to cost to continue it next biennium so it is not rolled into that \$812,000 at all.

Adam Hamm, Insurance Commissioner: I understand the question that you are asking. Is it rolled into the next biennium?

Chairman Delzer: It is part of the costs of the next biennium but that is part of your base budget.

Adam Hamm, Insurance Commissioner: Correct. What the equity plan line and general salary entries line is doing as you can see the amount of folks that we have working for the Insurance Department and the amount of vacant positions that we have that we are trying to fill. We need to have the flexibility to keep the unbelievable people we have in the Department who do an unbelievable job of regulating this industry and have the flexibility to attract good people.

Chairman Delzer: What is your average pay raise?

Adam Hamm, Insurance Commissioner: I do not know right now off the top of my head but we can get you that.

Chairman Delzer: Please get that for us. Unfortunately we won't know because you probably won't do it until close to the end of the biennium. That is one of the things that happens when you give a five and five statewide as opposed to a six and six or a seven and seven.

Adam Hamm, Insurance Commissioner: I understand what you are saying. It does come back to the point I just made about keeping good folks and attracting good folks.

Chairman Delzer: Do you have the projected turnback for next time?

Adam Hamm, Insurance Commissioner: I do not have the answer to that question.

Mr. Hamm continued his testimony regarding retention plans.

Chairman Delzer: The certification costs are right in your salaries and wages line?

Adam Hamm, Insurance Commissioner: Yes.

Chairman Delzer: Will they get that certification in the next biennium.

Adam Hamm, Insurance Commissioner: You are correct on two of the three. One of who is the division, I am not sure how far she is in to the process it is possible that she will move through the AFE and in to the CFE in the next biennium.

Representative Kempenich: Have you put together a retirement list?

Adam Hamm, Insurance Commissioner: I know in my head by looking at the Org. Chart particularly who the retirements are going to be in the next three or four years. Do we have that in writing? No, but we can have that prepared.

Chairman Delzer: When is vacant FTE list supposed to be back and compiled?

Sheila Sandness, Legislative Council: It should be back to us by the 21st.

Chairman Delzer: How long will it take to compile that?

Sheila Sandness, Legislative Council: A few days to compile the information.

Mr. Hamm continued his testimony by summarizing the major goals and objectives of the Insurance Department.

Representative Kempenich: Where are you at in your computer replacement cycle?

Rebecca Ternes: We are on a two year cycle. However, this biennium it is a little bit different because of the new Office and desktop software that has come out. We didn't want to be in two different systems for two years so we delayed replacement until, half of them will be

replaced at the end of this biennium and a month later when the new biennium starts we will replace the other half. We have actually changed our cycle this biennium.

Chairman Delzer: You are on a four year replacement cycle are you not?

Rebecca Ternes: We were this biennium; we will get back to every two years now.

Chairman Delzer: When you say every two years you are not replacing the whole machine every two years?

Rebecca Ternes: We don't replace everything but the desktop units and the laptops we do.

Chairman Delzer: I thought we went statewide with a four year replacement cycle.

Rebecca Ternes: It is half the staff each biennium.

Chairman Delzer: OK. We are going to want the spend down levels and how much of a percentage of that.

Lois Hartman, Executive Director for the ND Firefighter's Association, presented written testimony.

Chairman Delzer: Is there Homeland Security money given out?

Lois Hartman: I believe there is through the Emergency Services Commission.

Representative Kaldor: To what degree will this \$500,000 facilitate training? Is this going to have an impact across the state? I know we have been hearing about this from our fire departments.

Lois Hartman: It is a statewide effort. This \$500,000 will be used to hire a full time state training director who will be able to upgrade the current programs and work with other states to bring in other state's programs.

Chairman Delzer: Is there a different standard between full time fire stations and volunteer fire department?

Lois Hartman: No the standard is the standard. I also have an assessment done by the US fire Administration.

Chairman Delzer: Vice Chairman Thoreson received an email from a past president of the fire association that could not attend due to the weather.

Chairman Delzer closed the hearing.

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1010

House Appropriations Committee
Government Operations Division

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Hearing Date: 2/6/09

Recorder Job Number: 8925

Committee Clerk Signature

Tonya Voegeli

Minutes:

Chairman Delzer opened the discussion of amendments on House Bill 1010.

Chairman Delzer: The first issue I want to cover is in conjunction with the Adjutant General's but in the Insurance Department, and I have language being drafted on this but in the Insurance Department we have \$500,000 of new money for the firefighters school and it is coming out of the Insurance reserve fund or whatever the right word for that is. The current level coming out of there is \$6.2million. The firefighters have and there is a budget that they want here for their firefighter school. Currently there is \$6.2million coming out of the Insurance Fund to go out to the local fire districts. There is \$120,000 coming out of that same fund for dues. Then there is \$170,000 that comes out of the Fire and Tornado fund. What I am going to propose doing is raising what is coming out of the Insurance Fund from \$6.2million to \$6.3million. The Governor's Budget raises it from \$6.2million to \$6.7million. So it will be a reduction of \$400,000. The amendments would require the first \$300,000 is going to the North Dakota Firefighters Association for the firefighter's school and the other 6million will go to the local fire departments out of that fund. It leaves the \$120,000 and the \$170,000 in place. The amendments would also require the first \$200,000 of the Homeland Security money, the

federal money that goes out to the local counties to be sent to the firefighter's school. Greg Wills says he does not have a problem with that. The local counties and fire districts might complain a little bit but this does cover their fire fighting school. It does it in such a way that part of it is covered by them and yet we are increasing the amount that goes there by \$100,000

Representative Kaldor: What is the goal with this?

Chairman Delzer: It is a new fire school that is not in place right now. They say they need it so that they can get the NTSC grant so that they can be certified to apply for the grants. It gives them everything they ask. I think they are probably asking for a little more than they need but it gives it to them but it makes them also accountable to their own associations because a good share of the money is actually coming from them to start with which makes them keep their eye on what is going on with that firefighter's school. The end result for the state is that it puts \$400,000 back into the General Fund.

Representative Kaldor: That \$400,000 is coming from the counties and the fire districts.

Chairman Delzer: Correct. It is coming from the fire districts and the Homeland Security money to the counties that goes out to the different fire districts.

Representative Meyer: Is the Homeland Security money guaranteed?

Chairman Delzer: Wills said for the next two years he does not see it not being a guarantee. This is only for two years. The language they proposed giving them an out if the feds changed which I am not sure is going to be included or not when it goes out of the house. The hard thing about this is that part of this is going to be in the Insurance budget and part of it is going to be in the Adjutant General's budget so it is going to be hard to explain on the floor. We are covering what the firefighters want but we are expecting part of it to be covered by the counties. Part of the reason for that is that the amount that they are getting and the dues that

they are getting, and they currently only pay \$40 for somebody to go to the fire school and it will keep it at that level but it does decrease what they get by one or one and a half percent.

Those dues are added on top of that correct?

Chairman Delzer: Correct. The dues are on top of that and the \$170,000 would also be on top of that. In

Representative Kempenich: INAUDIBLE

Chairman Delzer: In essence it is. That is part of it. I had some discussions with people on the floor and when they heard there were dues being paid for out of this they were not real happy about it. In essence what it does and we can do the paperwork and say it is the dues money that is going to the firefighters and they had to pay their own dues but I think that it is easier to do it in the one line.

Representative Kempenich: What I am driving at is when we messed with this last time it was \$6.2million.

Chairman Delzer: That is the additional \$100,000 that makes the \$500,000 whole. We are in essence taking \$200,000 from the \$6.2million and \$200,000 from the \$5.2 on the Homeland Security side and adding \$100,000. In essence it ends up being \$6.3million. Did we have any computer issues in the Insurance Department? Do you have your expected turnback?

Rebecca Ternes, Deputy Insurance Commissioner: \$1,521,197.

Chairman Delzer: How many vacant FTEs did you end up with?

Rebecca Ternes, Deputy Insurance Commissioner: Four.

Chairman Delzer: How long have they been vacant?

Rebecca Ternes, Deputy Insurance Commissioner: One of them has been vacant for a little over three years that is our senior insurance company examiner. If you recall that is the one that requires a very specific designation of which we know of maybe four of them in the state

and two of those have previously worked at the department. There are two investigator positions that were created, one of them created when our fraud department was created. We are currently assessing and will likely fill one for sure over the next year currently assessing the second one. The last vacancy is one of our division directors that left the state over the past year and we are not still sure what we might do with that position. The supervisory duties have been reassigned to an existing employee and the fraud and investigation duties were moved to the legal division for that position.

Chairman Delzer: You have requested all of them to be funded for the next biennium?

Rebecca Ternes, Deputy Insurance Commissioner: Yes. The one that has been vacant for three years is actually a very critical function to the Department.

Chairman Delzer: How are you doing it?

Rebecca Ternes, Deputy Insurance Commissioner: We have to use consultants. We did a procurement process about two and a half years ago and created a list of consultants that meet the criteria needed for our accreditation status to sign off on financial exams.

Chairman Delzer: How are you paying for that?

Rebecca Ternes, Deputy Insurance Commissioner: The insurance companies pay a fee. When there is an exam they pay the fee and then they get a credit on their premium tax so it does eventually come out of the General Fund.

Chairman Delzer: What kind of money is that amounting to?

Rebecca Ternes, Deputy Insurance Commissioner: It is more than if we had a staff person. The reason that we continue to have the position and try to fill the position is because as examiners work with our companies they obviously get to know those companies and that makes the exam process a lot more efficient for the companies. It also allows our junior examiners to get more hands on with someone day to day. It has proven very difficult to find

someone who would be interested in living and working here. The consultants are happy to do it as long as they can work from wherever they are. What they typically would do is to travel in and meet our junior examination staff on site.

Chairman Delzer: How much time do you hire a consultant for?

Rebecca Ternes, Deputy Insurance Commissioner: The exam process can take up to a month, month and a half. They likely are on site for a couple of weeks and then they go back and work from home and we work remotely with the consultant and then they might have to go back depending on.

Chairman Delzer: You don't have a consultant hired all of the time.

Rebecca Ternes, Deputy Insurance Commissioner: No. I would say there is three to five exams per year. That is a guess though.

Chairman Delzer: So if you ever filled that position what would that person do when they are not working on exams?

Rebecca Ternes, Deputy Insurance Commissioner: There are constantly financial analyses going on with the companies. Companies are always calling us asking questions and that would be really nice. That entire burden right now falls on the division director who is also going out on a lot more exams because of not having that position filled. We had that position filled for 28 years. The last employee had been with us for about 28 years and it has just been since he retired that we didn't have it filled. We do feel confident that there is work for the position. We do the best we can with the consultants.

Chairman Delzer: Out of your fraud unit how many FTEs were you given and how many have you filled?

Rebecca Ternes, Deputy Insurance Commissioner: I want to say it was three. And I am not sure about that.

Chairman Delzer: So how many do you have now?

Rebecca Ternes, Deputy Insurance Commissioner: We moved the fraud unit to the legal division and we hired this year into our market conduct position who was supposed to do part time market conduct and part time fraud. Unfortunately we have had a huge upsweep in fraud activity in the Department and he has done pretty much only fraud. We need someone on the grounds that is able to do investigations, interviews, gather data, and put files together for our fraud actions.

Representative Kaldor: Have we got this in statute the authority to grant a tax credit when we charge the company fees.

Rebecca Ternes, Deputy Insurance Commissioner: Yes I believe it is in statute that they get a credit on their premium tax paid unless of course they have not paid enough which does happen with some of the companies that don't have a lot of business in North Dakota and then they pay the bills themselves.

Chairman Delzer: Brady, I would like a discussion on the Insurance Fraud Investigator and the Insurance Investigator. Are they basically interchangeable as far as you guys are concerned the ones that have never been filled? Is there one in particular that if we were going to take one that you would rather have?

Rebecca Ternes, Deputy Insurance Commissioner: We are assessing the need to fill both. The fraud investigator was set up only for cases of fraud so whether it is a consumer that fakes a windshield claim or an agent. The insurance investigator position was an investigator position designed to investigate complaints. We have two people in our department that handle complaints one on life and health and one on P & C and that position was to take those complaints one step further should they need investigation. I believe when they were created they were two separate positions.

Chairman Delzer: Were they created last biennium or were they there?

Rebecca Ternes, Deputy Insurance Commissioner: No they were here before me and I have been here a little over three years.

Representative Meyer: On that same train of thought. If a complaint about a nursing home comes in regarding long term care insurance, it goes to whom?

Rebecca Ternes, Deputy Insurance Commissioner: It would likely go to our life and health. It would first go into our hotline if it was absolutely a complaint and the person wanted to do a formal complaint then it would go to our life and health complaint investigator.

Chairman Delzer: Brady, have we got any amendments for operating? I understand there was a reduction but there is also a considerable balance here. Is there something in that that keyed the fact that you have that high of a possible projected turnback?

Rebecca Ternes, Deputy Insurance Commissioner: I think the history of the Department has always shown a turnback. I think we discussed this a little bit in the subcommittee, we have had less people traveling this year. The vacancies obviously create additional turnback because of supplies and travel and all of those other things that come with it. I think we have always had a history of that. We changed our budgeting as well over the past two years. We discussed this with the subcommittee as well. We now budget from bottom up instead of top down. I think our division directors have gotten really good at watching their budgets.

Chairman Delzer: Brady just for discussion let's look at another \$39,000 there. Is there anything further on the Insurance Commissioner?

Chairman Delzer closed the discussion of amendments for House Bill 1010.

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1010

House Appropriations Committee
Government Operations Division

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Hearing Date: 2/9/09

Recorder Job Number: 9019

Committee Clerk Signature *Kanya Vaegeli*

Minutes:

Chairman Delzer opened the discussion on House Bill 1010.

Chairman Delzer: The amendments will be made and then they will be voted on again as a package. Let's move to the Insurance Commissioner. On there we have a vacant fraud FTE investigator position. I am a little surprised. As much as they wanted their fraud unit, I am a little surprised at the fact that they kept two of the positions open for the whole biennium.

Representative Glassheim: That was a vacant position wasn't it?

Chairman Delzer: Yes. It has been vacant since they got it. It seemed to me that the language that they used was deciding whether or not they were going to fill it? It says they are currently assessing to fill. They have one that says they will likely fill in 09 or 10.

Representative Dosch: I would move that we remove it.

Chairman Delzer: We have a motion is there a second?

Vice Chairman Thoreson: Second.

Chairman Delzer: Discussion?

A motion was made by Representative Dosch, seconded by Vice Chairman Thoreson for an amendment removing the fraud investigator position. Amendment was adopted by voice vote.

Chairman Delzer: The other issue we have is operating expenses at \$39,000. It seems to me that when we discussed it with the Insurance Commission, their turnback was pretty high. They had said something about building from the bottom up instead of the top down.

Representative Glassheim: I move that we reduce \$39,000 from operating.

Vice Chairman Thoreson: Second.

Chairman Delzer: Any discussion?

A motion was made by Representative Glassheim, seconded by Vice Chairman Thoreson for an amendment removing \$39,000 from operating. Amendment was adopted by voice vote.

Chairman Delzer: I have an issue, one of the deals that is in here is that there is \$500,000 in here for the firefighter's school. That is a new program. I think the issue is that it is needed so that the firefighters can get their training so that they can send in for grants from the federal government. This also has something to do with House Bill 1047 which was pulled out of the Insurance Commissioners budget and sent to Political Subs. No 1047 was one that was put in through the Public Safety Committee. What this amendment does, with my name on it, is it would fund the \$500,000 for the firefighters school but in essence what it would do is currently there is \$6.2million that goes out to the different fire districts and we had a handout with all of that. It would take \$200,000 from there, it would add \$100,000 from the Insurance Fund, giving

us \$300,000 and then it would take \$200,000 and direct that to the firefighters from Homeland Security money. In essence what the bill would do is move it from \$6.87million from the Insurance Tax Distribution fund. There is also \$120,000 that comes out of the Fire & Tornado Fund.

Brady Larson, Legislative Council: That is \$170,000 from the Fire & Tornado. It was \$120,000 last session from the Insurance Tax Distribution Fund.

Chairman Delzer: For the dues?

Brady Larson, Legislative Council: That is correct.

Chairman Delzer: I have talked to some of the local fire departments and their biggest thing is to make sure that it gets covered. They say they would accept this. I certainly have not heard from all of them. It is a way to do it without just increasing the amount out of the Insurance Tax Distribution Fund. What is does, currently there is \$6.2million that goes out to the fire districts. That would be decreased by \$200,000 so they would get \$6million instead of \$6.2million and the Homeland Security money, the first \$200,000 of that would go to the fire training school. That is currently at \$5.2million for the biennium and they would get \$5million. That goes to the counties and then it is distributed by the county emergency management council to decide who gets that money. The main reason I was doing this was to cover the dues, I heard complaints on the floor about us paying the dues and then having to pay another \$500,000 for the firefighter's school. I think everybody agrees that the firefighter's school should be done but we think that the firefighters should also help with paying for it. Brady you said the \$170,000 comes out of what fund?

Brady Larson, Legislative Council: The \$170,000 comes out of the Fire and Tornado Fund.

Chairman Delzer: And that goes to the Firefighter's Association for operating.

Brady Larson, Legislative Council: That is correct.

Chairman Delzer: The \$120,000 was out of the Insurance Tax Distribution Fund.

Brady Larson, Legislative Council: That is correct.

Chairman Delzer: So in essence if we wanted to change this to say that the \$120,000 for dues would go to the firefighter's school we could do that, but you are affecting the same thing with too many amendments when you do that. This does the same thing. I don't know how the committee feels about this.

Representative Meyer: How much are their dues?

Chairman Delzer: What I have been told by the people that I have talked to on the fire district end and it is a limited number of people, they were the high up in the statewide organization, he said that when a fire district sends somebody to that school, they pay \$40 for that person. The dues I am not sure how much the dues are but I know we were paying \$120,000 out of the Insurance Tax Distribution Fund to the Association for the local districts fire dues. I don't know if that is all the dues or if they have dues that they are responsible on their own or if that was covering the whole works. I can't answer that.

Representative Berg: I guess that's, the flag that I saw was paying the Firefighters Association's Dues. I have no idea what those dues are used for. Quite frankly we had the same issue with the pharmacy board and the Pharmacy Association. Again most associations and this may be different but most associations are simply that, an association where people have voluntary dues that they pay and depending on the amount of dues they raise they do different things. That is my question here.

Chairman Delzer: Brady how hard would it be to rewrite these to make the \$120,000 of dues went away?

Brady Larson, Legislative Council: That shouldn't be difficult.

Chairman Delzer: Why don't we go ahead and do that. That would mean we would need to raise it up another \$80,000 to cover the whole \$500,000. If we just reduced the \$120,000 for dues out of there, so they would still get the \$6.2million but the \$120,000 would not go as dues but it would go directly to the fire district but it would not be considered dues.

Representative Berg: We would still be paying the association for training.

Chairman Delzer: It would be but they would be required to cover that \$120,000 for dues out of their own pocket. Instead of making them cover \$200,000 or taking \$200,000 out of what they get, we are going to just give them that much less and tell them they have to cover that \$120,000 for dues. Is that what I am hearing the committee would like to do? I have no problem with that. So then instead of reducing the draw on the Insurance Tax Distribution Fund by \$400,000 it would reduce the draw on that by \$320,000. What about the Emergency Services grants, do we have any problems with that? Basically what we are doing then is directing the first \$200,000 towards firefighters school before it goes out to the counties. I personally think that is a good use of the money.

Representative Glassheim: Because, their people are getting training for it instead of having them pay for their training they are getting training.

Chairman Delzer: They are getting training and the training, their biggest concern on the training is to be able to apply for federal grants for equipment and stuff for the local fire districts.

Representative Glassheim: And I suppose they get different amounts depending on their size.

Chairman Delzer: The Homeland Security money actually goes to the counties and the counties each have an emergency management coordinating committee to decide where that money goes. Now the \$6.2million from the Insurance Tax Distribution Fund is divided by how

much insurance premium tax you have in your fire district. I know like, I looked up Garrison's and Garrison's rural got \$13,000 and the city of Garrison got \$12,000.

Representative Kempenich: It is based on your activity.

Representative Glassheim: So a large fire department might lose \$10,000 a year or something.

Chairman Delzer: I have not figured that out but I don't think it would be that much. The large fire district, if you make them pay more for the training it would be covering that anyway because they would have more people you would expect. That is the essence of the amendment. Does somebody care to move it?

Representative Berg: I will move that. I guess my question is if and I am not sure I am looking at the right thing but we are going up \$3.8million here. Is that correct?

Chairman Delzer: Currently we were spending out of there \$6.2million, and \$170,000. OMB suggested raising that by \$500,000. Well it was \$6.2million and \$120,000.

Brady Larson, Legislative Council: it was 6.2million plus an additional \$120,000 from the Insurance Tax Distribution Fund to the North Dakota Firefighters Association plus \$170,000 to the North Dakota Firefighters Association from the Fire and Tornado Fund.

Chairman Delzer: We are not affecting that. That is going to stay. So we would have been going from the current biennium is the \$6.2million plus the \$120,000, OMB's budget was \$500,000 more than that. Of that we are going to reduce \$120,000 and tell them that they have to pay their own dues but then we will cover the \$80,000 so instead of reducing it by \$400,000 from OMB's recommendation, we are going to reduce it by \$320,000.

Representative Berg: If we go from \$170,000 out of Fire and Tornado, and rather than \$500,000 go \$170,000 from the Fire and Tornado we are doubling the money for the training if I understand that right.

Chairman Delzer: No their training, they are going to end up with an additional \$500,000 for training.

Representative Berg: Why go up that much?

Chairman Delzer: They said that without the people to train, this is a new system that has come in from the feds requiring them to be trained at this certain level and it takes them this many people to do it. If they don't have the ability do it then they can't be trained enough so that they can apply for the federal grants for equipment.

Representative Berg: If it comes from the Insurance Tax Distribution Fund, where else does that fund go? Will that go to the General Fund when that is solvent or is that a tax that just stays there?

Representative Kempenich: It goes all into the General Fund.

Chairman Delzer: Whatever we appropriate out goes out first then everything else goes to the General Fund.

Representative Berg: So if we reduce that by \$200,000 that is a \$200,000 impact to the General Fund.

Chairman Delzer: That is correct.

Representative Berg: You have worked on this more than I have but I would think....

Chairman Delzer: It is convoluted but I think it is an OK compromise.

Representative Berg: So where are we at? We are going to zero out the dues, and the \$6.2million is going to be \$6million?

Chairman Delzer: No the \$6.2million will end up being almost \$6.4million. It would be \$6.38million.

Representative Kempenich: It should be \$6.82million.

Chairman Delzer: OK so we are going to take \$200,000 off of that which would make it \$6.62million and then \$120,000 off of that will be \$6.5million is what it would be. Because we are going to take \$200,000 off of that for Homeland Security money and then \$120,000 for the dues.

Representative Berg: When you say Homeland Security money, what do you mean?

Chairman Delzer: It comes from the Adjutant General's budget. The way this amendment was set up it would come from the Adjutant General's budget as a \$200,000 pass through grant to the North Dakota Firefighters Association. Then in the Adjutant General's budget we will have to change the so it is listed as the first \$200,000 goes to the Insurance Department for a grant to the North Dakota Firefighters Association. The only reason it comes through the Insurance Department is so it is all coming through one place.

Representative Berg: So right now we have \$6.2million, \$120,000 and \$500,000. If you combine those three things up you get \$6.82million but they are not all coming from the Insurance Tax Distribution Fund.

Chairman Delzer: In OMB's budget, that would all come from the Insurance Tax Distribution Fund. If we take \$200,000 off because we are going to fund it from the Homeland Security money from the Adjutant General's budget that reduces it down to \$6.62million. Then if we take the \$120,000 for dues off of that, it will mean that we will still be drawing \$6.5million which is \$300,000 more than currently goes out but they will have to come up with the \$120,000 out of their budgets for dues to the association.

Representative Berg: OK then you would still leave \$500,000.

Chairman Delzer: It reduces the draw on the General Fund by \$320,000.

Representative Berg: at the end of the day they will still have \$6.2million for the fire district payments.

Chairman Delzer: They will get \$6.2million from the fire districts, \$200,000 from the Adjutant General, \$300,000 more from the Insurance Tax Distribution Fund, and that \$300,000 will actually go to the fire districts.

Representative Berg: For training.

Chairman Delzer: Right.

Representative Berg: My thought is you are going from \$170,000 to \$670,000 in training. It seems like a pretty healthy jump.

Chairman Delzer: It is a very large jump but it is apparently very important to them. I have a list of what makes up that budget.

Representative Berg: I will make that motion so we can keep going.

Chairman Delzer: Brady do you have any questions on what the amendment is?

Brady Larson, Legislative Council: Maybe I will just try to clarify and make sure we are all on the same page here. Just working off of the prepared amendment, number 98011.0101, to revise this amendment, what I would do is restore the insurance tax payments to fire departments to \$6.2million where as this amendment had it at \$6million and the only other change would be to reduce funding to the North Dakota Firefighters Association by \$120,000 from the Insurance Tax Distribution Fund which represents the dues. That would be the only changes that I have.

Chairman Delzer: There has to be something that appropriates money out of there directly to the North Dakota Firefighters Association. In this amendment we replace \$500,000 with \$300,000.

Brady Larson, Legislative Council: That is correct.

Chairman Delzer: How ever that works so that they get their \$500,000.

A motion was made by Representative Berg, seconded by Vice Chairman Thoreson to adopt an amendment adjusting the funding for the North Dakota Firefighters Association. Amendment was adopted by voice vote.

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1010

House Appropriations Committee
Government Operations Division

☐ Check here for Conference Committee

Hearing Date: 2/13/09

Recorder Job Number: 9438

Committee Clerk Signature <i>Tonya Voegeli</i>
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Minutes:

Chairman Delzer opened the discussion of amendments on House Bill 1010.

Chairman Delzer reviewed the amendment.

Chairman Delzer: So the firefighters will not get \$6,080,000 is that correct?

Brady Larson, Legislative Council: Are you talking about the Insurance Tax distribution to the local fire districts? That we still left at \$6.2million.

Chairman Delzer: That's right they will get the \$6.2million but the dues money will not go to the North Dakota Firefighters Association.

Brady Larson, Legislative Council: That is correct

Chairman Delzer: But they still get \$670,000 from this.

Brady Larson, Legislative Council: Yes. The totals come from the \$200,000 from Homeland Security funds the \$300,000 from the Insurance Tax Distribution Fund and then the \$170,000 from the Fire and Tornado fund.

Chairman Delzer: So what is the total reduction?

Brady Larson, Legislative Council: The total reduction is \$120,000 for the dues however the total impact to the Insurance Tax Distribution Fund I believe would be \$320,000 because of the \$200,000 from Homeland Security.

Chairman Delzer: So the difference between the amount taken out of the Insurance Distribution fund by the Governor's office and by us is \$320,000.

Brady Larson, Legislative Council: That is correct.

Chairman Delzer: The only thing that changes basically is that the firefighters will need to pay their own dues.

Representative Glassheim: Individually or by group?

Chairman Delzer: It would be from the individual fire departments will have to pay that \$120,000 in dues.

Representative Kaldor: As I remember the net affect then they will actually get the full \$500,000 that was originally in the budget for the training and then they will have to pay their dues. So it is still a net increase in terms of the training.

Chairman Delzer: Correct. The training is covered the way it was meant to be covered in the Governor's Budget. This may be an issue during conference committee or whatever. We understand that.

Representative Kaldor: This is just a question but have we always paid their dues?

Brady Larson, Legislative Council: I believe that has been in place for about five years, roughly since 2001 or 2002.

Vice Chairman Thoreson: I believe it was 2003 we did that and I don't recall why but I think we put that in 2003.

Chairman Delzer: I know there was stated concern about the state paying their dues. Whether that is a real problem or not, I don't know.

Representative Berg: Fundamentally if we have an association part of the strength of the association is getting their members to pay dues. If they are not getting dues paid they are maybe not providing the value. I think as we saw with the pharmacy board and association, the other issue is those dollars are General Fund dollars. That makes everything in that association subject to the open records laws. So again I think without knowing exactly what their association does, but I know a lot of other associations have socials and receptions and who knows what and again I think that if you pursued that track there would probably be violations of association spending as it relates to General Fund dollars. That was my main reason for not wanting to pay association dues with General Fund money.

Representative Kaldor: I agree I think a big issue that I have gathered from my local fire departments is the issue of the training. I think this is more appropriate for us to do something like this than it is for us to pay their association dues. One way or another, what we were doing is trying to ensure that the association had enough money to provide them this training and we are doing that with this bill.

Representative Glassheim: What is the net gain then to the firefighters over last biennium?

Chairman Delzer: It should be \$380,000. To the North Dakota Firefighters Association it would be \$500,000 but to the districts, if you consider that theirs it would be \$380,000.

Representative Glassheim: If we wanted to, I suppose we could keep the \$120,000 and just put a mandate on it that this could not be used for the paying of dues, if the issue is paying of dues rather than the dollars.

Chairman Delzer: I think that is a discussion that we could have in the second half. I would like to put this forward now and then see what happens when they have the discussion and I had talked with the fire departments and they wanted \$500,000 for the training.

A motion was made by Vice Chairman Thoreson, seconded by Representative Kempenich to adopt amendment 98011.0102 to House Bill 1010. The amendment was adopted by voice vote.

A motion was made by Vice Chairman Thoreson, seconded by Representative Glassheim for a DO PASS AS AMENDED recommendation for House Bill 1010 to the House Appropriations Full Committee. The vote was 7 yeas, 0 nays and 1 absent and not voting. The carrier will be Chairman Delzer.

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1010

House Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: February 17, 2009

Recorder Job Number: 9613

Committee Clerk Signature	<i>Nancy L. Gerhardt</i>
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Minutes:

Rep. Delzer distributed amendment .0102 (Attachment A) and explained the amendment. The Governor's recommendation was to raise that by \$500,000. Under current law they were getting was 6.2 million from the insurance disposition fund and they were also get \$120,00 from the fire and tornado fund. The state was paying the dues to the Firefighter's Association.

We felt there was concern with the state paying the dues, so we removed that. \$5.2 million of Homeland Security money, redirected some of that money. I would move the amendments.

Rep. Thoreson: 2nd.

Chm. Svedjan: Any discussion?

Rep. Wald: That vacant investigator position, will they continue to recruit for that position?

Rep. Delzer: That is not the feeling I received. My understanding is we gave them four, they filled two. We left them with three.

Chm. Svedjan: Any further discussion? Seeing none on the motion to adopt amendment 0102 to HB 1010 – all in favor say Yea – Unanimous Voice Vote – Opposed Nay – none. The amendments are adopted.

Rep. Delzer: I move HB 1010 As Amended.

Chm. Svedjan: Is there a 2nd?

Rep. Thoreson: 2nd.

Chm. Svedjan: 2nd by Rep. Thoreson for a Do Pass As Amended. Any further discussion?

Seeing none we will take a roll call vote for a Do pass As Amended for HB 1010.

Vote: 23 Yes 0 No 2 Absent Carrier: Rep. Delzer Motion Carries.

98011.0102
Title.
Fiscal No. 1

Attachment A
2/17/09
Prepared by the Legislative Council staff for
House Appropriations - Government
Operations

February 9, 2009

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1010

Page 1, line 12, replace "811,995" with "688,433" and replace "6,598,742" with "6,475,180"

Page 1, line 13, replace "(76,113)" with "(115,113)" and replace "2,102,264" with "2,063,264"

Page 1, line 15, replace "500,000" with "380,000" and replace "6,990,000" with "6,870,000"

Page 1, line 16, replace "1,405,882" with "1,123,320" and replace "15,861,006" with
"15,578,444"

Page 1, line 17, replace "0.00" with "(1.00)" and replace "46.50" with "45.50"

Page 1, line 18, after "**PAYMENTS**" insert "- **USES**"

Page 1, line 19, replace "\$6,820,000" with "\$6,500,000"

Page 1, line 20, replace "\$620,000" with "\$300,000"

Page 1, line 22, after the period insert "Funding provided to the North Dakota firefighter's
association must be used for firefighter training."

Page 2, after line 18, insert:

**"SECTION 8. GRANTS - DEPARTMENT OF EMERGENCY SERVICES -
TRANSFER.** The sum of \$200,000 included in the grants line item in section 1 of this
Act is from federal funds received by the department of emergency services, which the
department of emergency services shall transfer to the insurance commissioner for the
purpose of providing a grant to the North Dakota firefighter's association for firefighter
training, for the biennium beginning July 1, 2009, and ending June 30, 2011."

ReNUMBER accordingly

A copy of the statement of purpose of amendment is attached.

STATEMENT OF PURPOSE OF AMENDMENT:**House Bill No. 1010 - Insurance Department - House Action**

	Executive Budget	House Changes	House Version
Salaries and wages	\$6,598,742	(\$123,562)	\$6,475,180
Operating expenses	2,102,264	(39,000)	2,063,264
Capital assets	170,000		170,000
Grants	6,990,000	(120,000)	6,870,000
Total all funds	\$15,861,006	(\$282,562)	\$15,578,444
Less estimated income	15,861,006	(282,562)	15,578,444
General fund	\$0	\$0	\$0
FTE	46.50	(1.00)	45.50

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

	Removes Vacant FTE Position¹	Reduces Operating Expenses Funding²	Reduces Firefighter's Association Funding³	Total House Changes
Salaries and wages	(\$123,562)			(\$123,562)
Operating expenses		(39,000)		(39,000)
Capital assets				
Grants			(120,000)	(120,000)
Total all funds	(\$123,562)	(\$39,000)	(\$120,000)	(\$282,562)
Less estimated income	(123,562)	(39,000)	(120,000)	(282,562)
General fund	\$0	\$0	\$0	\$0
FTE	(1.00)	0.00	0.00	(1.00)

¹ Removes vacant fraud investigator position.² Reduces funding for operating expenses by \$39,000.

³ Reduces funding for the North Dakota Firefighter's Association by \$120,000, to provide a total of \$670,000. This amendment also changes the funding source of \$200,000 of the grant funding to the North Dakota Firefighter's Association from the insurance tax distribution fund to federal homeland security funds received by the Department of Emergency Services. Of the \$670,000 grant to the North Dakota Firefighter's Association, \$300,000 is from the insurance tax distribution fund, \$170,000 is from the fire and tornado fund, and \$200,000 is from federal homeland security funds. The amendment also adds a provision that funding provided to the North Dakota Firefighter's Association is to be used for training.

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1010

House House Appropriations- Government Operations Committee

☐ Check here for Conference Committee

98011.0102

Legislative Council Amendment Number "Click here to type Amendment Number"

Action Taken Adopt Amendment

☒ Voice Vote

☐ Roll Call Vote

Motion Made By Representative Dosch: Seconded By Vice Chairman Thoreson:

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer			Representative Glassheim		
Vice Chairman Thoreson			Representative Meyer		
Representative Kempenich			Representative Kaldor		
Representative Berg					
Representative Dosch					

Total (Yes) "Click here to type Yes Vote" No "Click here to type No Vote"

Absent _____

Floor Assignment "Click here to type Floor Assignment"

If the vote is on an amendment, briefly indicate intent:

Remove the vacant FTE

Amendment Adopted

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1010

House House Appropriations- Government Operations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number "Click here to type Amendment Number"

Action Taken "Click here to type Action Taken"

☒ Voice Vote

☐ Roll Call Vote

Motion Made By Representative Glassheim: Seconded By Vice Chairman Thoreson:

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer			Representative Glassheim		
Vice Chairman Thoreson			Representative Meyer		
Representative Kempenich			Representative Kaldor		
Representative Berg					
Representative Dosch					

Total (Yes) "Click here to type Yes Vote" No "Click here to type No Vote"

Absent _____

Floor Assignment "Click here to type Floor Assignment"

If the vote is on an amendment, briefly indicate intent:

Reduce 39000 from operating

AMENDMENT ADOPTED

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1010

House House Appropriations- Government Operations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Adopt Amendment

☒ Voice Vote

☐ Roll Call Vote

Motion Made By Representative Berg: Seconded By Vice Chairman Thoreson:

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer			Representative Glassheim		
Vice Chairman Thoreson			Representative Meyer		
Representative Kempenich			Representative Kaldor		
Representative Berg					
Representative Dosch					

Total (Yes) "Click here to type Yes Vote" No "Click here to type No Vote"

Absent _____

Floor Assignment "Click here to type Floor Assignment"

If the vote is on an amendment, briefly indicate intent:

\$6.2million to \$6.5million

Changes the funding source of \$200,000 to be provided as a grant to the North Dakota Firefighters Association from the insurance tax distribution fund to federal homeland security funds received by the DES.

ADOPTED

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1010

House House Appropriations- Government Operations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 98011.0102

Action Taken Adopt Final Amendment

☒ Voice Vote

☐ Roll Call Vote

Motion Made By Vice Chairman Thoreson: Seconded By Representative Kempenich:

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer			Representative Glassheim		
Vice Chairman Thoreson			Representative Meyer		
Representative Kempenich			Representative Kaldor		
Representative Berg					
Representative Dosch					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Amendment Attached

ADOPTED

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1010

House House Appropriations- Government Operations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 98011.0102

Action Taken Do Pass As Amended

☐ Voice Vote

☒ Roll Call Vote

Motion Made By Vice Chairman Thoreson: Seconded By Representative Glassheim:

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer	X		Representative Glassheim	X	
Vice Chairman Thoreson	X		Representative Meyer	X	
Representative Kempenich	X		Representative Kaldor	X	
Representative Berg	A				
Representative Dosch	X				

Total (Yes) 7 No 0

Absent 1

Floor Assignment Chairman Delzer:

If the vote is on an amendment, briefly indicate intent:

Date: 2/17/09
Roll Call Vote #: 1

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1010

Full House Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 98011.0102

Action Taken adopt amendment .0102

Motion Made By Delzer Seconded By Thoreson

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan					
Vice Chairman Kempenich					
Rep. Skarphol			Rep. Kroeber		
Rep. Wald			Rep. Onstad		
Rep. Hawken			Rep. Williams		
Rep. Klein					
Rep. Martinson					
Rep. Delzer			Rep. Glassheim		
Rep. Thoreson			Rep. Kaldor		
Rep. Berg			Rep. Meyer		
Rep. Dosch					
Rep. Pollert			Rep. Ekstrom		
Rep. Bellew			Rep. Kerzman		
Rep. Kreidt			Rep. Metcalf		
Rep. Nelson					
Rep. Wieland					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Voices Vote carries

VR
2/17/09
1062

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1010

Page 1, line 12, replace "811,995" with "419,738" and replace "6,598,742" with "6,206,485"

Page 1, line 13, replace "(76,113)" with "(115,113)" and replace "2,102,264" with "2,063,264"

Page 1, line 15, replace "500,000" with "380,000" and replace "6,990,000" with "6,870,000"

Page 1, line 16, replace "1,405,882" with "854,625" and replace "15,861,006" with "15,309,749"

Page 1, line 17, replace "0.00" with "(1.00)" and replace "46.50" with "45.50"

Page 1, line 18, after "**PAYMENTS**" insert "- **USES**"

Page 1, line 19, replace "\$6,820,000" with "\$6,500,000"

Page 1, line 20, replace "\$620,000" with "\$300,000"

Page 1, line 22, after the period insert "Funding provided to the North Dakota firefighter's association must be used for firefighter training."

Page 2, after line 18, insert:

"SECTION 8. GRANTS - DEPARTMENT OF EMERGENCY SERVICES - TRANSFER. The sum of \$200,000 included in the grants line item in section 1 of this Act is from federal funds received by the department of emergency services, which the department of emergency services shall transfer to the insurance commissioner for the purpose of providing a grant to the North Dakota firefighter's association for firefighter training, for the biennium beginning July 1, 2009, and ending June 30, 2011."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT - LC 98011.0103 FN 2

A copy of the statement of purpose of amendment is attached.

STATEMENT OF PURPOSE OF AMENDMENT:**House Bill No. 1010 - Insurance Department - House Action**

	Executive Budget	House Changes	House Version
Salaries and wages	\$6,598,742	(\$392,257)	\$6,206,485
Operating expenses	2,102,264	(39,000)	2,063,264
Capital assets	170,000		170,000
Grants	6,990,000	(120,000)	6,870,000
Total all funds	\$15,861,006	(\$551,257)	\$15,309,749
Less estimated income	15,861,006	(551,257)	15,309,749
General fund	\$0	\$0	\$0
FTE	46.50	(1.00)	45.50

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

	Removes Vacant FTE Position¹	Reduces Operating Expenses Funding²	Reduces Firefighter's Association Funding³	Reduces Funding for Anticipated Salary Savings⁴	Removes Salary Equity Funding⁵	Total House Changes
Salaries and wages	(\$123,562)			(\$129,185)	(\$139,510)	(\$392,257)
Operating expenses		(39,000)				(39,000)
Capital assets						
Grants			(120,000)			(120,000)
Total all funds	(\$123,562)	(39,000)	(\$120,000)	(\$129,185)	(\$139,510)	(\$551,257)
Less estimated income	(123,562)	(39,000)	(120,000)	(129,185)	(139,510)	(551,257)
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	(1.00)	0.00	0.00	0.00	0.00	(1.00)

¹ Removes vacant fraud investigator position.² Reduces funding for operating expenses by \$39,000.

³ Reduces funding for the North Dakota Firefighter's Association by \$120,000 to provide a total of \$670,000. This amendment also changes the funding source of \$200,000 of the grant funding to the North Dakota Firefighter's Association from the insurance tax distribution fund to federal homeland security funds received by the Department of Emergency Services. Of the \$670,000 grant to the North Dakota Firefighter's Association, \$300,000 is from the insurance tax distribution fund, \$170,000 is from the fire and tornado fund, and \$200,000 is from federal homeland security funds. The amendment also adds a provision that funding provided to the North Dakota Firefighter's Association is to be used for training.

⁴ This amendment reduces salaries and wages funding to recognize anticipated savings from vacant positions and employee turnover.⁵ This amendment removes funding added in the executive budget for state employee salary equity adjustments.

Date: 2/17/09
Roll Call Vote #: 2

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1010

Full House Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 0102

Action Taken No Pass is Amended

Motion Made By Delzer Seconded By Thoreson

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan	✓				
Vice Chairman Kempenich	✓				
Rep. Skarphol	✓		Rep. Kroeber	✓	
Rep. Wald	✓		Rep. Onstad	✓	
Rep. Hawken	✓		Rep. Williams	✓	
Rep. Klein	✓				
Rep. Martinson	✓				
Rep. Delzer	✓		Rep. Glassheim	✓	
Rep. Thoreson	✓		Rep. Kaldor	✓	
Rep. Berg	✓		Rep. Meyer	✓	
Rep. Dosch	✓				
Rep. Pollert	✓		Rep. Ekstrom	✓	
Rep. Bellew	✓		Rep. Kerzman	✓	
Rep. Kreidt	✓		Rep. Metcalf	✓	
Rep. Nelson	✓				
Rep. Wieland	✓				

Total (Yes) 23 No 0

Absent 2

Floor Assignment Delzer

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1010: Appropriations Committee (Rep. Svedjan, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (23 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HB 1010 was placed on the Sixth order on the calendar.

Page 1, line 12, replace "811,995" with "419,738" and replace "6,598,742" with "6,206,485"

Page 1, line 13, replace "(76,113)" with "(115,113)" and replace "2,102,264" with "2,063,264"

Page 1, line 15, replace "500,000" with "380,000" and replace "6,990,000" with "6,870,000"

Page 1, line 16, replace "1,405,882" with "854,625" and replace "15,861,006" with "15,309,749"

Page 1, line 17, replace "0.00" with "(1.00)" and replace "46.50" with "45.50"

Page 1, line 18, after "**PAYMENTS**" insert "-
USES"

Page 1, line 19, replace "\$6,820,000" with "\$6,500,000"

Page 1, line 20, replace "\$620,000" with "\$300,000"

Page 1, line 22, after the period Insert "Funding provided to the North Dakota firefighter's association must be used for firefighter training."

Page 2, after line 18, Insert:

"SECTION 8. GRANTS - DEPARTMENT OF EMERGENCY SERVICES - TRANSFER. The sum of \$200,000 included in the grants line item in section 1 of this Act is from federal funds received by the department of emergency services, which the department of emergency services shall transfer to the insurance commissioner for the purpose of providing a grant to the North Dakota firefighter's association for firefighter training, for the biennium beginning July 1, 2009, and ending June 30, 2011."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT - LC 98011.0103 FN 2

A copy of the statement of purpose of amendment is on file in the Legislative Council Office.

2009 SENATE APPROPRIATIONS

HB 1010

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1010

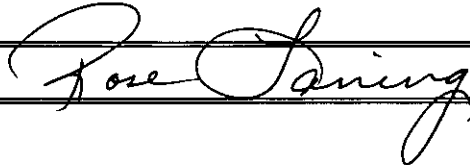
Senate Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: March 2, 2009

Recorder Job Number: 9934

Committee Clerk Signature



Minutes:

Chairman Holmberg called the committee hearing to order on HB 1010 which is an appropriation for the expenses of the insurance commissioner.

Chairman Holmberg reminded everyone that the Senate has already stated its position on equity and salaries at a funded five and five, so there is no need to talk about that because the committee will be doing their work on all budgets.

Adam Hamm, Insurance Commissioner, State of North Dakota

Written attached testimony # 1.

(8:16)

Senator Seymour: Your Fire and Tornado has a healthy balance, why didn't you just write a check to Northwood School for a million dollars – to take care of their problem?

Adam Hamm: The reason that we couldn't just write a check from the Fire and Tornado fund is because it's not a fund that you can simply just write checks. This is like an insurance policy just like the policy that exists on your home. The only money that can be paid out of policy through the Fire and Tornado fund is about close to \$9 B of insured value from the Fire and Tornado Fund throughout the entire state of North Dakota - if the claim against that policy is a valid claim. So every time there is a claim, it has to be investigated to make sure that the claim that is being made is a valid claim for that full amount. If it isn't, then just like with any

other insurance company, work has to be done to try to resolve that claim. That's what took place with respect to the policy on the Northwood School. Their claims were for the policy in respect to the building. Then they had another claim with respect to the contents. When the Fire and Tornado Fund did its due diligence for that claim on the building, it was determined that it was not a valid claim for the full policy limit. Just with a home owner's policy, it's the cost of repair or replace, whichever is less. The Fire and Tornado Fund has an expert to review that claim and determine what that amount would be, just as the school did. Now what took place, is that the school's expert and the Fire and Tornado Fund's expert were about \$2 M dollars apart, in terms of what it would cost to repair or replace, whichever is less. So about the time I started in October, those issues were boiling to the surface so that in the course of about two months, both sides working together ultimately resolved that claim. It's not a fund where we can just write checks.

(Continuing on page 17 of testimony)

Adam Hamm requested that a reasonable amount of money be appropriated from the general fund to the bonding fund so they don't dip below \$2M and have to do an assessment. That hasn't been done since 1953.

Chairman Holmberg: Can you provide language to committee in the near future? Part of discussion on that separate bill was a difference of opinion as to should that be a separate piece of legislation or should it be included in the budget of the insurance department. Our committee brought the bill to the floor and it was defeated. Part of the discussion was that it was more appropriate to leave it in the budget bill. Please provide the information to the committee and **Adam Hamm** said he would do so.

V. Chair Bowman: Who would pay the assessment if it had to be paid?

Adam Hamm: All 2956 bondholders. We actually sent out a letter to all bond holders at the end of February advising all the bondholders of what is going on and if we dip below \$2 M dollars, there would need to be an assessment. We asked all bondholders to provide to the department the total number of salaried employees, including board and commission members for their entity, so then we can start to figure out what the assessment would be for each one of these 2956 bondholders to get us back to that \$3 M dollar point. We hope this all won't be necessary, but we're already in the process of preparing for the worst. We're already hearing back from some of the bondholders that are concerned saying why are we doing an assessment, especially in terms of where we sit in ND in terms of our budget.

Senator Robinson: Where are we at with Blue Cross/Blue Shield (BC/BS)? Are we close to resolution, or not?

Adam Hamm: There were two rate increases last year that were denied; the one that applied to the group block of business which affects about 130,000 North Dakotans, and the individual policies which apprise about 30,000 North Dakotans. Those were the two that were denied last year or zeroed out. The primary reason was because of this issue involving the provider withhold. The company's assertion that it's contracts give it the right to change the amount that it would pay healthcare providers whenever it wanted, including after an increase was approved by the department. In other words, building into their increase, they were asking for a certain amount that would justify a certain level of an increase. Their assertion was that they could change that number even after the increase was approved by the department. In other words, they'd have this pot of money for payments to healthcare providers and they'd determine on their own how much they were actually going to pay out. The good news is that the issue has been resolved. The issue has been hammered out between the department, company, the ND medical association, the ND Hospital Association and was finished as

January 2009. There were other issues involved, but those are the two that most folks pay attention to. They resubmitted their rate increases for both those blocks of business. One of them, they resubmitted at a lower requested rate increase. The other, they resubmitted at a higher requested rate increase.

Senator Robinson expressed concern wondering if we'll be able to control rates because there is a fear that when the rates go up, they will go up significantly and will be more difficult to handle.

Adam Hamm: The departments approach with respect to these increases has always been to try to achieve balance, and that balance is three-sided. There is balance for the company to make sure it's in a healthy financial position; the policy holders in this state because they are the ones who will be paying the increase; and also the health care providers, to make sure we have a healthy healthcare environment by keeping and recruiting good doctors to this state

Chairman Holmberg: Would it be the unintended consequences if BC/BS knows that you will give them less than what they ask for. Because they will inflate what they ask for knowing full well that they are not going to get it so you pump up your requests because they already know you're going to cut it back.

Adam Hamm: I thought that, but BC/BS adamantly denied that. When they ask for an increase, they need to explain every penny of their rate increase. That's why it's so important the structure in the regulatory authority that the department has now, because when they ask for that rate increase, we're able to literally pull it apart, deconstruct it little by little and test the validity of each one of those components. That's why it's so important for the department to retain regulatory authority.

V. Chair Grindberg: Your counter offer on February 20, did it include that provision that allowed the Blues to carry that margin and decide after the fact to which Adam Hamm said no.

What was their justification for that unusual request? And secondly, we passed a bill out of the Senate and assuming it passes the House, how you will approach this next year.

Adam Hamm: If SB 2306 passes the House and becomes law, it would gut the regulatory authority of the department over Blue Cross/Blue Shield because one portion relates to a risk based capital ratio. The bottom line is that it would basically remove the insurance department of any sort of reasonable and informed review of a rate increase request that BC/BS asks for.

Senator Kilzer: You mentioned the three things that you're careful of is that the Blues are viable and you also mentioned policy holders and providers. I get a lot of complaints from my fellow physicians about the low reimbursement levels of our state. My question would be, Because the Blue Cross/Blue Shield fee schedules are protected, what attention to you give to regionalization of provider reimbursement when you consider requests for increases in premiums? I get a lot of requests about the fact that it's very difficult to recruit American trained physicians into ND. That's why we have so many foreigners and that's why we have quite a few who leave the state for their specialized care, and then the Blues turn around and complain that care was not given in the state when it was requested to be out of state. The truth of the matter is that the referrals are encouraged to go to MN because that's where the specialists are, and it's not possible to recruit them to ND. I assume you have the fee schedules of comparable procedures that are done in state and out of state and you're very much aware of that because physicians themselves aren't aware of them. The reimbursement came to some clinics on some procedures, but I don't have the overall picture.

Adam Hamm: This is one of the issues that I have been focused on, and to answer your question, No, we do not have the fee schedules because we do not tell BC/BS what it has to include in its premium increase request or increases in payments to healthcare providers.

(Continued to give example)

Senator Kilzer: I'm very disappointed to hear that it's such a weak part of the taking the position that you do. I think that is a major weakness that must still be persisted. The figures are available. We passed a law quite a few years ago that required physicians and clinics to have accessible to patients what they charge for certain procedures. That doesn't matter diddly because it doesn't matter what a provider charges. It's what the insurance company pays. If you don't have the exact figure that's a major deficit.

V. Chair Grindberg: Should we be putting a study in your bill on healthcare, given to what's being proposed in Congress, with the massive changes as quoted by the President over the weekend. One would assume that the next two years, health care is going to be front and center in this agenda nationally. It seems we ought to have an interim study that whatever we discuss today as well as what is coming nationally to have a better handle on the legislation that comes in 2011.

Adam Hamm: There was HB 1391 a bill to study the uninsured, the underinsured, where healthcare is going in the course of the next 10 years. It put the insurance department gathering information on all of these topics and educating the people of ND where we are at and where we need to be going and then heading into the next legislative session drafting any legislation to attempt to work on any of these issues going forward. The bill came through the House and I support that bill.

V. Chair Grindberg: Does that bill have any recommendations studying market based healthcare needs?

Adam Hamm: I don't believe that's part of the exact language of 1391. If you felt that needs to be added, I can certainly request an amendment.

(Continuing on page 16.)

Senator Krauter: In Section 3, 4,5,6,7 all talk about within the operating, there's the release of these funds. Do we consistently do this every session? Take for example the \$150,000 for the anhydrous ammonium – that hasn't increased or decreased. I mean, we haven't raised the inspection fees, have we?

Adam Hamm: I don't believe that is an increase. How that works is that we're allowed to bill the agriculture commissioner for those dollars up to \$150,000 for that program.

Lois Hartman, Executive Director, State Training Director, ND Firefighter's Association
Testified in favor of HB 1010. Written attached testimony # 2.

Senator Krauter: The funding sources that have changed with what the House did, are you confident that those dollars will be available particularly from the Federal Homeland Security Fund?

Lois Hartman: No. When I talked to Mr. Wills at DES (Department of Emergency Services), he said that would be a grant that I would apply for and would have to comply with their grant guidelines and their programs.

Jerry Junct, ND League of Cities.

Testified in favor of HB 1010. No written testimony.

Rick Graba, Captain, Bismarck Fire Department

Testified in favor of HB 1010. Written attached testimony # 3.

Chairman Holmberg closed the hearing on HB 1010.

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1010

Senate Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: 04-01-09

Recorder Job Number: 11623

Committee Clerk Signature

Alice Delger *done (upstairs)*

Minutes:

Chairman Holmberg called the committee back to order regarding HB 1010.

Senator Wardner asked committee members to turn to page one of fiscal note. Senator Krauter and I worked on this budget. Senator Wardner explained the amendments. The ND Firefighters Association we restored to the Executive recommendation. If you turn back to the front of the amendments we had talked about a policy issue there after stimulus and so we put it in there. I talked to the chairman of IBL and all it does is extend the Cobra for the unemployed. On page 2 it has an emergency on it. There is one other issue and that is the bond fund. The money does not come out of the general funds it comes out of the premiums. The commissioner said he is ok with this.

Chairman Holmberg we had an individual bill earlier to assure this wouldn't trigger.

Senator Robinson: The fraud positions have been vacant for some time. Are they vacant for some particular reason?

Senator Wardner It is about salary.

Senator Robinson we are out of the ball park here on being competitive. I hope that we can hold our own in the final negotiations in the House. I have no problem with the bonding fund.

Senator Warner Had a question on the State Fire Marshall in Attorney General. What was the logic to have it administered by the Insurance Dept.

Senator Wardner the money comes out of insurance premiums so that is why the fire and tornado fund is in the Insurance Commission.

Adam Hamm, Insurance Commission: The latest numbers we have on the bonding fund as of the end of January, we are down. The five year claims average over a biennium would be somewhere in the neighborhood of three quarters of a million dollars. That was the genesis for the bill that failed. We are hoping to see this amendment proposal passed. This would not come out of general funds dollars. It would take a million dollars out of the Insurance Regulation Trust fund.

Chairman Holmberg said that would be next biennium. It wouldn't be a loss on any of the balance sheets we have at the present time, would it?

Allen: That would be a reduction of general funds revenues. The revenue forecast includes that.

Senator Warner: How do you calculate the evaluation of realized losses and non realized losses?

Hamm that is where we are at. That includes both losses on the market as well as claims. The statute requires you do an assessment if you fall below a certain dollar amount, we would have to do an assessment on every employee. This would be huge. The bill with amendments is the approach the dept. is proposing.

Senator Wardner what about a lesser amount? Would you comment on that?

Hamm when I testified before we discussed the possibility of half a million. The reason that number has continued to rise, we continue to have market losses and claims continue and they are on par for where they have been and the amount has gone up. In looking through all the information a million is the most reasonable estimate.

Chairman Holmberg once that money is put in to the bond fund; it is locked into that bond fund. Another option would be to put half of it in the bond fund and allow the emergency commission to allow you to draw it out of that fund and move it over. That might get a little complicated.

Senator Robinson a couple years ago we took money out of that fund for cell phones and that is why that fund is in trouble now.

Chairman Holmberg if you recall the commissioner laid it out on the table.

Senator Krebsbach is there a way to buy insurance on this fund? (5:30)

Hamm not that I am aware of. This fund has been very stable over its history. But the problem has been as the claims continue, the value of these claims goes up and the market deteriorates.

Senator Wardner moved the amendment.

Senator Krauter second.

Voice vote: Passed

Discussion;

Senator Wardner: move a Do Pass as amended on HB 1010

Senator Krauter: seconded.

Senator Christmann I am going to continue to bring up operating expenses.

Roll call vote 13 yes, 0 nays 1 absent.

Senator Wardner will carry the bill.

Senator Wardner expressed his appreciation to Senator Krauter regarding the work he did on this bill.

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1010

Page 1, line 3, replace the first "and" with "to create and enact a new subsection to section 26.1-36-23 of the North Dakota Century Code, relating to the continuation of group hospital, surgical, and medical coverage after termination of employment;"

Page 1, line 4, after "salary" insert "; and to declare an emergency"

Page 1, line 12, replace "419,738" with "688,433" and replace "6,206,485" with "6,475,180"

Page 1, line 13, replace "(115,113)" with "(76,113)" and replace "2,063,264" with "2,102,264"

Page 1, line 15, replace "380,000" with "500,000" and replace "6,870,000" with "6,990,000"

Page 1, line 16, replace "854,625" with "1,282,320" and replace "15,309,749" with "15,737,444"

Page 1, after line 17, insert:

"SECTION 2. APPROPRIATION - TRANSFER - STATE BONDING FUND.

There is appropriated out of any moneys in the insurance regulatory trust fund in the state treasury, not otherwise appropriated, the sum of \$1,000,000, which the office of management and budget shall transfer to the state bonding fund, for the period beginning with the effective date of this Act and ending June 30, 2011."

Page 1, line 19, replace "\$6,500,000" with "\$6,820,000"

Page 1, line 21, replace "\$300,000" with "\$620,000"

Page 1, line 22, remove "Funding"

Page 1, remove line 23

Page 2, remove lines 19 through 24

Page 2, after line 30, insert:

"SECTION 10. A new subsection to section 26.1-36-23 of the North Dakota Century Code is created and enacted as follows:

- a. Notwithstanding any other provision of this section, an employee or member who does not have an election of continuation coverage as described in this section in effect on the effective date of the American Recovery and Reinvestment Act of 2009 [Pub. L. 111-5], but who would be an assistance-eligible individual under title III of division B of the Act if the election were in effect, may elect continuation coverage. The employer or the group policyholder shall provide employees or members with additional written notice of the right to elect coverage under this subsection within sixty days of the date of enactment of the American Recovery and Reinvestment Act of 2009 or within fourteen days of the effective date of this Act, whichever is later. The employee or member may make the election in writing no later than

sixty days after the date the employer or the group policyholder provides the notice to the employee or member.

- b. Continuation coverage elected under this subsection commences with the first period of coverage beginning after February 16, 2009, and may not extend beyond the period of continuation coverage that would have been required if the coverage had instead been elected under subsection 4.
- c. The period beginning on the date that the employee or member was involuntarily terminated and ending when the continuation coverage starts must be disregarded for the purpose of determining whether a preexisting condition exclusion period applies.
- d. An employee or member electing continuation under this subsection shall pay to the group policyholder or the employer, on a monthly basis in advance, the amount of contribution required by the policyholder or employer, but not more than the group rate for the insurance being continued under the group policy on the due date of each payment. The employee's or member's written election of continuation, together with the contribution required to establish contributions on a monthly basis in advance, must be given to the policyholder or employer within thirty-one days of the date the employee's or member's election of continuation coverage.
- e. Continuation of insurance under this subsection terminates at the earlier of the date when the person fails to satisfy subsection 2 or when the person fails to satisfy any requirement of subsection 6.
- f. The notification described in subsection 7 is not required for continuation coverage elected under this subsection.
- g. Except as otherwise provided in this subsection, the provisions of this section apply to an employee or member electing continuation coverage.

SECTION 11. EMERGENCY. Sections 2 and 10 of this Act are declared to be an emergency measure."

Renumber accordingly

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1010

Page 1, line 3, replace the first "and" with "to create and enact a new subsection to section 26.1-36-23 of the North Dakota Century Code, relating to the continuation of insurance;"

Page 1, line 4, after "salary" insert "; and to declare an emergency"

Page 1, line 12, replace "419,738" with "688,433" and replace "6,206,485" with "6,475,180"

Page 1, line 13, replace "(115,113)" with "(76,113)" and replace "2,063,264" with "2,102,264"

Page 1, line 15, replace "380,000" with "500,000" and replace "6,870,000" with "6,990,000"

Page 1, line 16, replace "854,625" with "1,282,320" and replace "15,309,749" with "15,737,444"

Page 1, after line 17, insert:

"SECTION 2. APPROPRIATION - TRANSFER - STATE BONDING FUND.

There is appropriated out of any moneys in the insurance regulatory trust fund in the state treasury, not otherwise appropriated, the sum of \$1,000,000, which the office of management and budget shall transfer to the state bonding fund, for the biennium beginning July 1, 2009, and ending June 30, 2011."

Page 1, line 19, replace "\$6,500,000" with "\$6,820,000"

Page 1, line 21, replace "\$300,000" with "\$620,000"

Page 1, line 22, remove "Funding"

Page 1, remove line 23

Page 2, remove lines 19 through 24

Page 2, after line 30, insert:

"SECTION 10. A new subsection to section 26.1-36-23 of the North Dakota Century Code is created and enacted as follows:

- a. Notwithstanding any other provision of this section, an employee or member who does not have an election of continuation coverage as described in this section in effect on the effective date of the American Recovery and Reinvestment Act of 2009 [Pub. L. 111-5], but who would be an assistance-eligible individual under title III of the Act if the election were in effect, may elect continuation coverage. The employer or the group policyholder shall provide employees or members with additional written notice of the right to elect coverage under this subsection. The employer or group policyholder shall provide the notice to the employee or member within sixty days of the date of enactment of the American Recovery and Reinvestment Act of 2009 or within fourteen days of the effective date of this Act, whichever is later. The employee or member may make the election in writing no later than sixty days after the date the employer or the

group policyholder provides the notice to the employee or member as required by section 3001(a)(7) of the American Recovery and Reinvestment Act of 2009 or this subsection.

- b. Continuation coverage elected under this subsection commences with the first period of coverage beginning on or after the date of the reenactment of the American Recovery and Reinvestment Act of 2009 and may not extend beyond the period of continuation coverage that would have been required if the coverage had instead been elected under subsection 4.
- c. The period beginning on the date that the enrollee was involuntarily terminated and ending when the coverage starts must be disregarded for the purpose of determining whether a preexisting condition exclusion period applies.
- d. An employee or member electing continuation under this subsection shall pay to the group policyholder or the employer, on a monthly basis in advance, the amount of contribution required by the policyholder or employer, but not more than the group rate for the insurance being continued under the group policy on the due date of each payment. The employee's or member's written election of continuation, together with the contribution required to establish contributions on a monthly basis in advance, must be given to the policyholder or employer within thirty-one days of the date the employee's or member's insurance would otherwise terminate.
- e. Continuation of insurance under this subsection terminates at the earlier of the date when the employee or member fails to satisfy subsection 2 or when the employee or member fails to satisfy any requirement of subsection 6.
- f. Except as otherwise provided in this subsection, this section applies to an employee or member electing continuation coverage.

SECTION 11. EMERGENCY. Sections 2 and 10 of this Act are declared to be an emergency measure."

Renummer accordingly

STATEMENT OF PURPOSE OF AMENDMENT - LC 98011.0201 FN 1

A copy of the statement of purpose of amendment is attached.

STATEMENT OF PURPOSE OF AMENDMENT:**House Bill No. 1010 - Insurance Department - Senate Action**

	Executive Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$6,598,742	\$6,206,485	\$268,695	\$6,475,180
Operating expenses	2,102,264	2,063,264	39,000	2,102,264
Capital assets	170,000	170,000		170,000
Grants	6,990,000	6,870,000	120,000	6,990,000
Transfer to state bonding fund			1,000,000	1,000,000
Total all funds	\$15,861,006	\$15,309,749	\$1,427,695	\$16,737,444
Less estimated income	15,861,006	15,309,749	1,427,695	16,737,444
General fund	\$0	\$0	\$0	\$0
FTE	46.50	45.50	0.00	45.50

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

	Restores Funding for Anticipated Salary Savings ¹	Restores Salary Equity Funding ²	Restores Funding for Operating Expenses ³	Restores Funding for Firefighters Association ⁴	Provides for a Transfer to the State Bonding Fund ⁵	Total Senate Changes
Salaries and wages	\$129,185	\$139,510				\$268,695
Operating expenses			39,000			39,000
Capital assets						
Grants				120,000		120,000
Transfer to state bonding fund					1,000,000	1,000,000
Total all funds	\$129,185	\$139,510	\$39,000	\$120,000	\$1,000,000	\$1,427,695
Less estimated income	129,185	139,510	39,000	120,000	1,000,000	1,427,695
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

✕ This amendment restores funding for salaries and wages removed by the House to recognize anticipated savings from vacant positions and employee turnover.

✕ This amendment restores salary equity funding removed by the House.

✕ This amendment restores funding for operating expenses removed by the House.

⁴ Funding for the North Dakota Firefighters Association is restored to the amount provided in the executive budget. Of the total funding of \$790,000, \$620,000 is from the insurance tax distribution fund and \$170,000 is from the fire and tornado fund. The amendment also removes the section added by the House providing that \$200,000 of the grant to the North Dakota Firefighters Association be from federal homeland security funds. The requirement that funding provided to the North Dakota Firefighters Association be used for training added by the House is also removed.

⁵ A transfer of \$1 million is provided from the insurance regulatory trust fund to the state bonding fund. This amendment also adds a section to provide for the transfer.

This amendment also:

- Adds a subsection to North Dakota Century Code Section 26.1-36-23 relating to the continuation of insurance after the termination of employment.
- Adds an emergency clause section.

REPORT OF STANDING COMMITTEE

HB 1010, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed HB 1010 was placed on the Sixth order on the calendar.

Page 1, line 3, replace the first "and" with "to create and enact a new subsection to section 26.1-36-23 of the North Dakota Century Code, relating to the continuation of insurance;"

Page 1, line 4, after "salary" insert "; and to declare an emergency"

Page 1, line 12, replace "419,738" with "688,433" and replace "6,206,485" with "6,475,180"

Page 1, line 13, replace "(115,113)" with "(76,113)" and replace "2,063,264" with "2,102,264"

Page 1, line 15, replace "380,000" with "500,000" and replace "6,870,000" with "6,990,000"

Page 1, line 16, replace "854,625" with "1,282,320" and replace "15,309,749" with "15,737,444"

Page 1, after line 17, insert:

"SECTION 2. APPROPRIATION - TRANSFER - STATE BONDING FUND.

There is appropriated out of any moneys in the insurance regulatory trust fund in the state treasury, not otherwise appropriated, the sum of \$1,000,000, which the office of management and budget shall transfer to the state bonding fund, for the biennium beginning July 1, 2009, and ending June 30, 2011."

Page 1, line 19, replace "\$6,500,000" with "\$6,820,000"

Page 1, line 21, replace "\$300,000" with "\$620,000"

Page 1, line 22, remove "Funding"

Page 1, remove line 23

Page 2, remove lines 19 through 24

Page 2, after line 30, insert:

"SECTION 10. A new subsection to section 26.1-36-23 of the North Dakota Century Code is created and enacted as follows:

- a. Notwithstanding any other provision of this section, an employee or member who does not have an election of continuation coverage as described in this section in effect on the effective date of the American Recovery and Reinvestment Act of 2009 [Pub. L. 111-5], but who would be an assistance-eligible individual under title III of the Act if the election were in effect, may elect continuation coverage. The employer or the group policyholder shall provide employees or members with additional written notice of the right to elect coverage under this subsection. The employer or group policyholder shall provide the notice to the employee or member within sixty days of the date of enactment of the American Recovery and Reinvestment Act of 2009 or within fourteen days of the effective date of this Act, whichever is later. The employee or member may make the election

in writing no later than sixty days after the date the employer or the group policyholder provides the notice to the employee or member as required by section 3001(a)(7) of the American Recovery and Reinvestment Act of 2009 or this subsection.

- b. Continuation coverage elected under this subsection commences with the first period of coverage beginning on or after the date of the reenactment of the American Recovery and Reinvestment Act of 2009 and may not extend beyond the period of continuation coverage that would have been required if the coverage had instead been elected under subsection 4.
- c. The period beginning on the date that the enrollee was involuntarily terminated and ending when the coverage starts must be disregarded for the purpose of determining whether a preexisting condition exclusion period applies.
- d. An employee or member electing continuation under this subsection shall pay to the group policyholder or the employer, on a monthly basis in advance, the amount of contribution required by the policyholder or employer, but not more than the group rate for the insurance being continued under the group policy on the due date of each payment. The employee's or member's written election of continuation, together with the contribution required to establish contributions on a monthly basis in advance, must be given to the policyholder or employer within thirty-one days of the date the employee's or member's insurance would otherwise terminate.
- e. Continuation of insurance under this subsection terminates at the earlier of the date when the employee or member fails to satisfy subsection 2 or when the employee or member fails to satisfy any requirement of subsection 6.
- f. Except as otherwise provided in this subsection, this section applies to an employee or member electing continuation coverage.

SECTION 11. EMERGENCY. Sections 2 and 10 of this Act are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT - LC 98011.0201 FN 1

A copy of the statement of purpose of amendment is on file in the Legislative Council Office.

2009 HOUSE APPROPRIATIONS

CONFERENCE COMMITTEE

HB 1010

2009 HOUSE STANDING COMMITTEE MINUTES

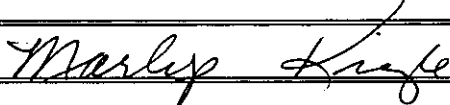
Bill/Resolution No. 1010

House Appropriations Committee
Government Operations Division

☒ Check here for Conference Committee

Hearing Date: 4/20/09

Recorder Job Number: #11986

Committee Clerk Signature	
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Minutes:

Vice Chairman Thoreson opened the conference committee on House Bill 1010. All conferees were present.

Vice Chairman Thoreson: The changes that were made are the Equity and the Fire Fighters Association in particular. Could who is representing the Senate please give us what was done by the Senate.

Senator Wardner: The House reinstated the salary and equity and the salary is something we have agreed on. The equity is an issue. The position that has been vacant for over 3 years is very critical. They need to get that individual for accreditation. This position is really tough to come by and salary is an issue. They have been actively looking for someone in that area. We reinstated the money for that. We also reinstated the operating expense of 39,000 our rational was that the agency does have a fine edge. They do not have excess money laying around and they need this for times when people retire and they have to pay for vacation time and so forth. If they don't have this flexibility or these dollars it puts them in a real bind.

Amendment 5 we reinstated the Fire Fighter funding to the Governors budget. The grant monies that replaced the 120 thousand come from the Department of Emergency Service that comes from FEMA. You have to write grants for it and the Insurance has to oversee it.

However when it comes to the grant money, because our Fire Departments are not trained to the level that they need to be in order to meet the national standards their chances of getting a grant is next to none. We questioned whether we should put 200,000 in grants or if we should continue to do it was done by the Executive Budget.

Chairman Delzer: Did you put the dues back in there then?

Senator Wardner: Yes.

Chairman Delzer: You put the dues back in but you didn't just give the money to the Fire Fighters Association or to the Fire School?

Senator Wardner: We did exactly what you said.

Chairman Delzer: Some of the problems that the house had with that is that we recently went through with a pharmacist that we were paying their dues or paying them to close together. So it is a concern for us to be paying the dues.

Senator Wardner: We understand that.

Senator Krauter: For clarification the dues is paid for a political subdivision versus the pharmacist in a private individuals business.

Chairman Delzer: I believe they paid the dues for the rural associations that were based on the number of people.

Senator Wardner: We amended the bill so that there was an infusion into the bond fund. This came from the Insurance Reserve Trust Fund which is getting down low. The other reason we felt this was the right thing to do was in session past the state General Fund has taken money back. If that money would have been left there this wouldn't have been a question.

Vice Chairman Thoreson: Was this transfer of funds asked for by the Insurance

Commissioner's office or the Senate Appropriation did?

Senator Wardner: Both by the Insurance Commissioner's office and political sub divisions it was both. The Senate bill was voted down. As we moved along and we got more information and informed people and presented to the senate what the situation was we had no problem. That will I am sure be an issue that you will want to go over with us.

The last one is the COBRA amendment and that was brought to us by the Insurance Department and was because of the surplus dollars. It opens another window of opportunity for people to get on COBRA for an extended time. I see the attorney for the insurance Department is here and can provide us with further information.

Vice Chairman Thoreson: Any questions or comments.

Chairman Delzer: I don't see where you added a person and you said you wanted to give them another one back. When I look at your amendment I don't see this.

Brady Larson, Legislative Council: The House took one vacant position out and the Senate did not add any positions back.

Senator Wardner: We had looked at couple other positions that had been vacant along time and I stand corrected.

Vice Chairman Thoreson: For Clarification it was not added back in from the House amendments?

Chairman Delzer: Is the 39,000 for operating expenses all we took out of the house?

Senator Wardner: From the Senate standpoint I would like to know the rational as to why it was taken out by the House

Chairman Delzer: We will bring this back to our next meeting.

Chairman Delzer: We had to spend down of where they are at for the last biennium and what their projection for their expenses to be and went through the 20 some lines off of 3014 that is what we came up with.

4-20-09

Vice Chairman Thoreson: And we will discuss that further. Let's go into the firefighter funding.

Chairman Delzer: I worked pretty hard on this one myself. It was my understanding that it would be direct from the grand. If we could just direct that over that would be a very good use of 200,000. We covered it so that they had the total funds without the dues.

Senator Grindberg: This issue of paying the dues how long has it been put into place.

Vice Chairman Thoreson: I recall that we had that discussion on the House side it was added in two or three biennium's ago.

Senator Wardner: That this particular money is in a grant and it is a competitive grant you have to after it and meet standards. In the past two years the applications trains and certifies according to the National Fire Protection 1001 standards. If the answer is no points are deducted and it becomes extremely difficult to get a grand and places the ND Fire

Departments in a great disadvantage.

Chairman Delzer: That is the other grants that are not the 200,000 from FEMA. That is the grand's for fire equipment. There is some question when you talk to different people if you have to say that everyone is trained or a certain percent is trained. It is mostly the HAZMAT where they are having the problems. Yet that is what some of them are doing. That is my understanding that this dealt with grants extra equipment and not through Emergency Management.

Senator Wardner: Are we talking about the money they have to apply to FEMA grand's right?

Chairman Delzer: These are not the \$200,000 that we are talking about or the FEMA money where we are getting grand's. This is not funding that we are getting from the State Budget.

Senator Wardner: So my question would be would you consider this soft money or hard money? The Fire Departments that we were in contact with were in question that they would even get it.

Chairman Delzer: It is how they fill out that one form and that is part of why they want the Firefighting Funding. We are not questioning the Fire fighting. It's not the 200,000 through Home Land Security Fund. It is the other money that is out there that is out there that they apply to the Federal Government for. Certainly it is soft money but it is not money anywhere is our budget at all.

Senator Krauter: So why are we concerned about that? If that is a grant that the local government or districts that apply for it not through the Insurance or the Appropriations so why are we concerned about that?

Chairman Delzer: That is why they want the amount of money for the firefighting school so that they can say that they have everybody trained. We can't get everyone trained and that is part of the problem.

Senator Wardner: The question that I have to clarify in my mind. I understood the 200,000 of grant money was to come through FEMA through the Department of Emergency Services am I wrong.

Chairman Delzer: It is Homeland Security money. There is about 5.1 million out there that currently goes out to all of the counties and we took 200,000 from it and put it to the fire school. They would not have to apply for this. The other ones they have to apply for.

Senator Wardner: If we can get some clarification for that or get Council or the Insurance Department to clarify that for us so we know exactly.

Vice Chairman Thoreson: I would ask Brady to supply that to me and the clerk here and the other members of the committee.

Chairman Delzer: I will dig out the e-mails from the Chief from the Fire fighters Association.

Chairman Delzer: The other thing that I would like to have a list of the cost under the million dollars you have put into this bill because that does come out of the General Fund.

4-20-09

Senator Wardner: It really doesn't come out of the General Fund it comes out of the Insurance Trust Fund.

Chairman Delzer: That money currently goes into the General Fund so in essence comes out of there.

Vice Chairman Thoreson: That request has been made so if we could get that out of there also.

Senator Wardner: What we are talking about is the claims that comes against the fund we are looking at where it is going to be and what they project that is what you are talking about is that correct?

Chairman Delzer: What I would like to see is what they are saying the cost each agency and political sub if we have to raise that money.

We were also told that it was a minimal cost if they would have to.

Vice Chairman Thoreson: I think the other issue that we need to talk about is the COBRA.

Senator Wardner: They couldn't have brought it forward any sooner because it was brought with the stimulus package. It simply gives a person that is unemployed another opportunity to keep health insurance. The Department can better assistance.

Vice Chairman Thoreson: We will continue this at another meeting

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1010

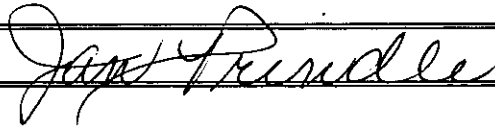
House Appropriations Committee
Government Operations Division

☒ Check here for Conference Committee

Hearing Date: **25 April 09, (p.m.)**

Recorder Job Number: 12269

Committee Clerk Signature



Minutes:

Vice Chairman Thoreson called the conference committee on House Bill 1010 to order. All conferees were present.

Vice Chairman Thoreson: We will work off the statement of purposes you have in your packet of information. We will go down the line on these issues. Item 1 is the salary and wages removed by the House. The Senate restored that. Item 2, the equity funding is being dealt with on 1015 so we won't touch on that one here. On the operating expenses of \$39.0, the House removed that and the Senate restored that money.

Senator Wardner: I don't think that we really discussed that.

Vice Chairman Thoreson: Let's go ahead and talk about that one.

Chairman Delzer: If you take a look at their spend down levels there are a number of different issues that their projected ending balances are somewhere in the neighborhood of \$1.5. \$539 of that operating. When we went through their spend down levels and looked at different areas that was about the amount that we felt was very easily accessible to fund the next biennium without.

Senator Wardner: It is not a lot of money however I know that all of these budgets in the executive branch especially the ones in the tower, most are tight budgets and they are efficient people. Most of them are executive people doing a great job and they are able to turn back money. As you go through the course of the biennium, they also need some flexibility and some cash flow in order to meet some of their needs. I don't recall if you were on the conference committee this morning but I did talk some of the things that come up in the biennium; for example, when people retire they have to pay 30 days of accrued vacation that they have to take care of. They also have to pay 10% of the sick leave. Then you have where they can give bonus money when they recruit. You have to have the authority to do that. Also, performance—one out of four employees can get a bonus. If you happen to have someone move up because they got their CPA or something like that they move to a higher pay grade. It's a small amount of money but it is important to them as far as their flexibility and cash flow.

Vice Chairman Thoreson: I believe that is the same discussion that we had on the auditor budget earlier today. It reflects on this also.

Chairman Delzer: Everything that you mention has to do with salary and wages and the \$39,000 that we are talking about is in operating. Your salary and wages are all going to be handled in OMB.

Vice Chairman Thoreson: I agree that it is not a big number but as I have said on the House side it is something that we felt they could make do without too much pain. We can move on and discuss some other items and we can come back to this. Let's move on to the funding for the firefighters association. We did remove that. It also has to do with the training. There is \$120.0 in dues. We felt on the House side that we should probably not be paying those dues but the Senate has chosen to put that back in. I'd like to have more discussion on that one.

Senator Wardner: I am going to make a comment about that. I know they call it dues—that's what it started out at. I got a memo and it talks a little bit about the history. The ND Firefighters' Association began in the 01-03 biennium and the original appropriation in this particular area was \$104.0. The amount was increased in '05 to \$120.0 which is it today. Prior to 01, members were assessed dues based on the annual insurance tax distribution payment received by the fire department. The proceeds from these dues are used by the association to pay for salaries and operating costs. That's fine, but if you take this away they have to go back and do it. I find it ironic that we have the volunteers out here that are paying dues. In our town of 18,000 we have a volunteer fire department with four paid employees and the rest are all volunteers. We have a rural department that is all volunteers. They give a lot to the communities plus the fact that they are good. Our insurance rates are good in our town because of these people. Now we are asking them to pay dues. I think this is a small thing to provide. You can call it anything you want and make it a straight appropriation. I am not in favor of taking it out of the budget.

Vice Chairman Thoreson: I do understand they do a fine job and that does help keep insurance rates down. We can call it what you want and there are many of us that have volunteered our services to different organization and then have also paid money for that. There are cases where we as individuals chose to be involved in an organization and we realize we have to give some money to pay for it.

Senator Krauter: This is not an organization you necessarily chose to belong to. It's part of your civic duty in this community to belong to organizations such as the firefighters, rural ambulance and those types of things. That is what makes North Dakota so great. To turn around and make them pay dues on top of that that is kind of like an insult.

Vice Chairman Thoreson: In no way am I saying that they are not doing a great service. I guess we just have a bit of a different opinion on that.

Senator Wardner: We are in the days when recruiting these people is tough enough. In the rural communities the people that are able to do that are dwindling and they need every able bodied person. I realize that maybe the dues are not going to keep people to do that, but it sure isn't going to help. I know that when I look at our community, if we have to go to a paid fire department, our property taxes are going up. You could call this property tax relief.

Chairman Delzer: This was a pretty big issue in the subsection on the House side and not necessarily the ones that are sitting here. Part of the problem we got ourselves in to with calling something dues is back to the pharmacists. That was a lot of the concern with the state paying the dues of these member organizations. It is not the individual members, it's the organization. It's somewhere in the neighborhood of \$25 - \$50 per district. We give them over \$6.0 million. Let's not be petty about their paying \$25 for their own dues. If you want to cover it, whatever. The question I have is it looks like you are putting \$120.0 back in to the budget and yet you are removing the \$200.0 that we were using from Homeland Security to cover the firefighting school. Where is that being made up?

Senator Wardner: We went back to the way the bill was before you put the amendments on. We put the \$120.0 in. We had \$500.0 that came from the premium tax distribution fund and \$175.0 came out of the fire and tornado fund. On those grants there were some questions because we were under the impression that those grants were very soft. Then we got some other information here that maybe it wasn't quite that way. I know the day we had our hearing Mr. Wills was in the audience and he shed some light on it. We did take those away simply because we thought they were soft money and the chances of them qualifying because ND fire departments aren't up to the national standard they probably wouldn't be able to access the

money because you were discounted if you didn't have the training. Then we were told that is a different pot of money. We need some clarification on that.

Chairman Delzer: I was supposed to get the information and I have some stuff on my computer that I haven't printed off yet from the guy that used to be the chief of the state firefighters association. He is the one that I had worked with, he and Lois Hartman from the North Dakota Firefighters Association. I firmly believe that the soft money you are talking about is the extra money they can apply for equipment and whatever. This Homeland Security money is the money that comes from the feds through the DES and then is distributed to emergency management in all the different counties. What we were doing is simply taking the first \$200.0 and directing it to the firefighters school to be used to help the fire districts so they can be trained up in order to apply for these other grants—the soft grants that you are talking about. The question is I don't see how if you are taking out of the Homeland Security and only putting \$120.0 back in, I don't see how we are covering it.

Senator Wardner: In the House amendments you transferred \$300.0 from the Premium Tax Distribution Fund and you took \$170.0 out of the Fire and Tornado Fund. That's \$470.0 and then you had \$200.0. So the difference is that the House is that the House's from the Premium Tax Distribution Fund is \$300.0 and ours is \$500.0. That's how we made it up.

Chairman Delzer: That is what I was wondering.

Senator Krauter: The grants are for special projects where the firefighting is for training and that is just where they don't become eligible for those grants. The intention is not to peel off money off those grants right away and devote it to training. They are basically supposed to be used for grants for such projects as equipment and things of that nature.

Chairman Delzer: That is two different pots of money that you are talking about. We are willing to look at that. When we get together again perhaps we could have Mr. Wills present so we can have some clarification on that.

Senator Wardner: From what we got from Mrs. Hartman that was a big concern in that particular area. Maybe I misunderstood her on I think Representative Delzer may be right on that.

Representative Glassheim: I wonder if we can also get the number of the number of firefighters associations and what it would cost them to replace this money. They apparently already pay \$25 annually but I don't know if there are 200 of them or 2,000 of them.

Brady Larson, Legislative Council: We do have a list of all the different fire districts that receive funding from the Tax Distribution Fund. That would provide a fairly accurate number of the fire departments in the state.

Vice Chairman Thoreson: I think we need to get that clarified. We had some strong feelings on that and I sense the Senate does also so we need to come to some resolution on that.

Senator Grindberg: Have we resolved the state bonding fund?

Vice Chairman Thoreson: We have not looked at that yet.

Chairman Delzer: If we can let's have a quick discussion on that. I don't know how many of you received this email but it lists on a two-year recovery most of the political subdivisions. It's a pretty small amount of money. In the early 90s they removed \$12.0 million from bonding in the Tornado Fund. I don't know how it had every gotten that high, but it had. I suppose we put in the cap of \$3.0 million after that would be my guess. There was no cap before that. We put in the \$2.0 million trigger now. What happened there is the state got in to all sorts of trouble about pulling the money out because some of it was federal and we had to pay back the federal government and it took it two or three sessions to do that. If you do a two-year

assessment, there are a couple of the agencies like DHS would be \$22.0. When you start with the counties they are pretty small chunks of change. Most is not a whole lot of money. I'm not sure that even though the state took the money out back then, which was questionable, I'm not sure for us to fund all of the political subdivisions on this level is the proper thing either. I'm not convinced of that yet.

Senator Grindberg: My understanding of the situation is that this has always taken care of itself. I don't believe the subdivisions have been required to make payments towards this since the 50s or 60s. It was legislative action in 03 that to balance the budget we pulled money out of this fund. With the recent changes in the market it is predicted it will provide a deficit situation so the Senate deliberated and identified different alternatives. One was to put GF one-time to get it back to a minimum. The second was to do an internal transfer. Either way it's GF impact. To provide enough capital to keep the fund whole was the right approach.

Chairman Delzer: Maybe I am looking at the wrong fund here but I am looking at the Insurance Bonding Fund. Is that the one? The information I got was very different. I'll print that out and share it with you.

Senator Grindberg: I may stand corrected but that's my recollection.

Senator Krauter: That is my recollection too. We took money out of that bonding fund for GF. The other thing that needs to be mentioned here is if this moves forward, the Insurance department has to send notices out to all these political subdivision and then they are going to have to make payment on it. If we think we have unrest with cities, counties and townships, let me tell you this will light a fire storm because of the issue where we have taken money out and now we are asking them to kick some money in. We need to be careful where we are walking here.

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1010

House Appropriations Committee
Government Operations Division

☒ Check here for Conference Committee

Hearing Date: 4/28/09

Recorder Job Number: 12353

Committee Clerk Signature

Ellen Letang

Minutes:

Vice Chairman Thoreson: Called the conference committee on House Bill 1010 to order. All conferees were present. When we left of last we were having a discussion on about the bonding fund. We distributed a page from the governor's executive budget recommendation.

Senator Wardner provided a sheet a moment ago. (See attachments)

Senator Wardner: One thing we could wrap up is the monies for the firefighters. I talked to Greg Wills, he said that \$200,000 from the department of emergency services and the other grants, the firefighters will get that money. It's the homeland security but the only thing is that's it a one biennium. We were concerned that it was soft money and that they wouldn't get it. In the spirit of compromise, that we back out the \$200,000 out of the general fund and put this in this in for the biennium but knowing that next biennium, that we will probably need to replace that.

Representative Glassheim: I hate to get in the way of the spirit of compromise but my understand is that homeland security money is for one kind of activity and what they were going to do with the \$200,000 is for the materials training, where the homeland security money is for mass destruction training. The money will be there but it won't work because there are federal requirements attached to it.

Senator Wardner: I am not sure about that.

Chairman Delzer: I don't think we should open this up for testimony but if you want to take the 39,000 out and put a \$500,000 in the fund and be done. \$39,000 operating and leave the firefighters the way the Senate had it. We would put \$500,000 into the funds because the fund is at 2.26 and it grows on its own, they have stopped the bleeding. Personally I would like to say anything that if we got up above 4.5 million, that it should automatically go to the general fund instead of somebody wanting that at some point in time to rob out of there. If you have 2.6 million and put 500,000 in there, that is about what they claim that they normally use. As far as the 39,000, this was the latest spend down. We did go through all of those lines, so I feel pretty comfortable with the 39,000. The firefighters, if we have to do it next time, they are going to get the 200,000 as grants, if what Representative Glassheim say would be true, that fine. The one thing that I would like to emphasize is that we should not say we are paying dues for firefighters. You can give it to the school but you shouldn't be listed as dues for the association.

Senator Wardner: We are OK with that. Just make sure that the 120,000 has different name to it and go from there.

Chairman Delzer: First of all the 39,000 operation is out, on 120,000 leave it the way we have it and on the bonding we put ½ million instead of a million.

The committee recessed for five minutes.

Senator Wardner: We accept your proposal and thing you are very fair.

Brady Larson~Legislative Council: Just for clarification, there was another section added by the Senate, it was section 10 of the first engrossment, the cobra section. Can we include that?

Senator Wardner: All that is the state & federal rules are the same for this stimulus money.

Chairman Delzer: What happens when the stimulus time is gone, do we stay at this or do we go back to what we previously were?

Senator Wardner: It is my understanding that on the stimulus money, it goes away. It's only for that stimulus money.

Vice Chairman Thoreson: I will ask for any clarification for either council or OMB on that issue if the money runs out, does it go away?

Senator Grindberg: Money isn't really relevant, it change in the law. If an individual extends their cobra, they have to pay for it. Is it 18 to 24 months?

Representative Glassheim: Does the state pay for it?

Senator Grindberg: No, you are responsible as an individual.

Senator Wardner: It an individual thing, the state has no financial obligations here. It gives people another chance to sign up and we went with the Blues to make sure it's ok with them. We went over that language with a fine tooth comb to make sure everyone was happy with it and everybody was ok with it.

Vice Chairman Thoreson: I think it's one of those things that we could sit here all afternoon, I'm ok with leaving it there.

Chairman Delzer: I made the offer and it's good, I think we are losing the opportunity to use 200,000 of the homeland security money for a better purpose than what it is used for. I would request that you get the amendments drafted; we have one short meeting, put it on and be done with it.

Vice Chairman Thoreson: Recessed the committee until the amendments are drafted.
Meeting adjourned.

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1010

House Appropriations Committee
Government Operations Division

☒ Check here for Conference Committee

Hearing Date: April 29, 2009

Recorder Job Number: #12385

Committee Clerk Signature

Marlyp Kiegle

Minutes:

Chm. Thoreson called the Conference Committee on HB 1010 to order. He explained that they went through the amendments and the firefighter benefit and that is not going to take place on this bill.

Amendment .0206 (Attachment A) was distributed and the conferees reviewed the amendment.

Sen. Wardner: moved that the Senate Recede from the Senate Amendments on pages 1190 and 1191 of the House Journal and pages 1132 and 1133 of the Senate Journal and that Engrossed House Bill No. 1010 be amended as follows: (Amendment .0206).

Sen. Grindberg: seconded the motion.

The motion carried by a roll call vote of 5 yeas, 0 nays and 1 absent and not voting.

Chm. Thoreson thanked the conferees and adjourned the meeting.

VK 4/29/11
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PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1010

That the Senate recede from its amendments as printed on pages 1190 and 1191 of the House Journal and pages 1132 and 1133 of the Senate Journal and that Engrossed House Bill No. 1010 be amended as follows:

Page 1, line 3, replace the first "and" with "to create and enact a new subsection to section 26.1-36-23 of the North Dakota Century Code, relating to the continuation of group hospital, surgical, and medical coverage after termination of employment;"

Page 1, line 4, after "salary" insert "; and to declare an emergency"

Page 1, line 12, replace "419,738" with "548,923" and replace "6,206,485" with "6,335,670"

Page 1, line 15, replace "380,000" with "500,000" and replace "6,870,000" with "6,990,000"

Page 1, line 16, replace "854,625" with "1,103,810" and replace "15,309,749" with "15,558,934"

Page 1, after line 17, insert:

"SECTION 2. APPROPRIATION - TRANSFER - STATE BONDING FUND.

There is appropriated out of any moneys in the insurance regulatory trust fund in the state treasury, not otherwise appropriated, the sum of \$500,000, which the office of management and budget shall transfer to the state bonding fund, for the period beginning with the effective date of this Act and ending June 30, 2011."

Page 1, line 19, replace "\$6,500,000" with "\$6,820,000"

Page 1, line 21, replace "\$300,000" with "\$620,000"

Page 1, line 22, remove "Funding"

Page 1, remove line 23

Page 2, remove lines 19 through 24

Page 2, after line 30, insert:

"SECTION 10. A new subsection to section 26.1-36-23 of the North Dakota Century Code is created and enacted as follows:

- a. Notwithstanding any other provision of this section, an employee or member who does not have an election of continuation coverage as described in this section in effect on the effective date of the American Recovery and Reinvestment Act of 2009 [Pub. L. 111-5], but who would be an assistance-eligible individual under title III of division B of the Act if the election were in effect, may elect continuation coverage. The employer or the group policyholder shall provide employees or members with additional written notice of the right to elect coverage under this subsection within sixty days of the date of enactment of the American Recovery and Reinvestment Act of 2009 or within fourteen days of the effective date of this Act, whichever is later. The

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employee or member may make the election in writing no later than sixty days after the date the employer or the group policyholder provides the notice to the employee or member.

- b. Continuation coverage elected under this subsection commences with the first period of coverage beginning after February 16, 2009, and may not extend beyond the period of continuation coverage that would have been required if the coverage had instead been elected under subsection 4.
- c. The period beginning on the date that the employee or member was involuntarily terminated and ending when the continuation coverage starts must be disregarded for the purpose of determining whether a preexisting condition exclusion period applies.
- d. An employee or member electing continuation under this subsection shall pay to the group policyholder or the employer, on a monthly basis in advance, the amount of contribution required by the policyholder or employer, but not more than the group rate for the insurance being continued under the group policy on the due date of each payment. The employee's or member's written election of continuation, together with the contribution required to establish contributions on a monthly basis in advance, must be given to the policyholder or employer within thirty-one days of the date the employee's or member's election of continuation coverage.
- e. Continuation of insurance under this subsection terminates at the earlier of the date when the person fails to satisfy subsection 2 or when the person fails to satisfy any requirement of subsection 6.
- f. The notification described in subsection 7 is not required for continuation coverage elected under this subsection.
- g. Except as otherwise provided in this subsection, the provisions of this section apply to an employee or member electing continuation coverage.

SECTION 11. EMERGENCY. Sections 2 and 10 of this Act are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT - LC 98011.0206 FN 1

A copy of the statement of purpose of amendment is attached.

STATEMENT OF PURPOSE OF AMENDMENT:**House Bill No. 1010 - Insurance Department - Conference Committee Action**

	Executive Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$6,598,742	\$6,206,485	\$129,185	\$6,335,670	\$6,475,180	(\$139,510)
Operating expenses	2,102,264	2,063,264		2,063,264	2,102,264	(39,000)
Capital assets	170,000	170,000		170,000	170,000	
Grants	6,990,000	6,870,000	120,000	6,990,000	6,990,000	
Transfer to state bonding fund			500,000	500,000	1,000,000	(500,000)
Total all funds	\$15,861,006	\$15,309,749	\$749,185	\$16,058,934	\$16,737,444	(\$678,510)
Less estimated income	15,861,006	15,309,749	749,185	16,058,934	16,737,444	(678,510)
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	46.50	45.50	0.00	45.50	45.50	0.00

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

	Restores Funding for Anticipated Salary Savings ¹	Restores Funding for Firefighters Association ²	Provides for a Transfer to the State Bonding Fund ³	Total Conference Committee Changes
Salaries and wages	\$129,185			\$129,185
Operating expenses				
Capital assets				
Grants		120,000		120,000
Transfer to state bonding fund			500,000	500,000
Total all funds	\$129,185	\$120,000	\$500,000	\$749,185
Less estimated income	129,185	120,000	500,000	749,185
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

¹ This amendment restores funding for salaries and wages removed by the House to recognize anticipated savings from vacant positions and employee turnover. This is the same amount that was restored by the Senate.

² Funding for the North Dakota Firefighters Association is restored to the amount provided in the executive budget. Of the total funding of \$790,000, \$620,000 is from the insurance tax distribution fund and \$170,000 is from the fire and tornado fund. The amendment also removes the section added by the House providing that \$200,000 of the grant to the North Dakota Firefighters Association be from federal homeland security funds. This is the same amount of funding as provided by the Senate.

³ A transfer of \$500,000 is provided from the insurance regulatory trust fund to the state bonding fund. This amendment also adds a section to provide for the transfer. The Senate version included a \$1 million transfer from the insurance regulatory trust fund to the state bonding fund.

This amendment also:

- Adds a subsection to North Dakota Century Code Section 26.1-36-23 relating to the continuation of insurance after the termination of employment. This was also added by the Senate.

- Adds an emergency clause section.

REPORT OF CONFERENCE COMMITTEE (ACCEDE/RECEDE)

Bill Number 1010 (, as (re)engrossed):

Date: 4/29/09

Your Conference Committee Gov Ops

For the Senate:

For the House:

		YES / NO				YES / NO	
<input checked="" type="checkbox"/>	Grindberg	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	Thoreson	<input checked="" type="checkbox"/>	
<input checked="" type="checkbox"/>	Wardner	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	Delzer	<input checked="" type="checkbox"/>	
<input checked="" type="checkbox"/>	Krauter	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	Glassheim	<input checked="" type="checkbox"/>	

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE) from)

the (Senate/House) amendments on (SJ/HJ) page(s) 1190 - 1191

and place _____ on the Seventh order.

☒ adopt (further) amendments as follows, and place 1010 on the Seventh order: (. 0206)

_____, having been unable to agree, recommends that the committee be discharged and a new committee be appointed.

((Re)Engrossed) HB 1010 was placed on the Seventh order of business on the calendar.

DATE: 4/29/09

CARRIER: _____

LC NO.	of amendment
LC NO.	of engrossment
Emergency clause added or deleted	
Statement of purpose of amendment	

MOTION MADE BY: Wardner

SECONDED BY: Sen. Grindberg

VOTE COUNT 5 YES 0 NO 1 ABSENT

Revised 4/1/05

SEN REC -AMD
• 0206

Carries.

REPORT OF CONFERENCE COMMITTEE

HB 1010, as engrossed: Your conference committee (Sens. Grindberg, Wardner, Krauter and Reps. Thoreson, Delzer, Glassheim) recommends that the **SENATE RECEDE** from the Senate amendments on HJ pages 1190-1191, adopt amendments as follows, and place HB 1010 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1190 and 1191 of the House Journal and pages 1132 and 1133 of the Senate Journal and that Engrossed House Bill No. 1010 be amended as follows:

Page 1, line 3, replace the first "and" with "to create and enact a new subsection to section 26.1-36-23 of the North Dakota Century Code, relating to the continuation of group hospital, surgical, and medical coverage after termination of employment;"

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whichever is later. The employee or member may make the election in writing no later than sixty days after the date the employer or the group policyholder provides the notice to the employee or member.

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SECTION 11. EMERGENCY. Sections 2 and 10 of this Act are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT - LC 98011.0206 FN 1

A copy of the statement of purpose of amendment is on file in the Legislative Council Office.

Engrossed HB 1010 was placed on the Seventh order of business on the calendar.

2009 TESTIMONY

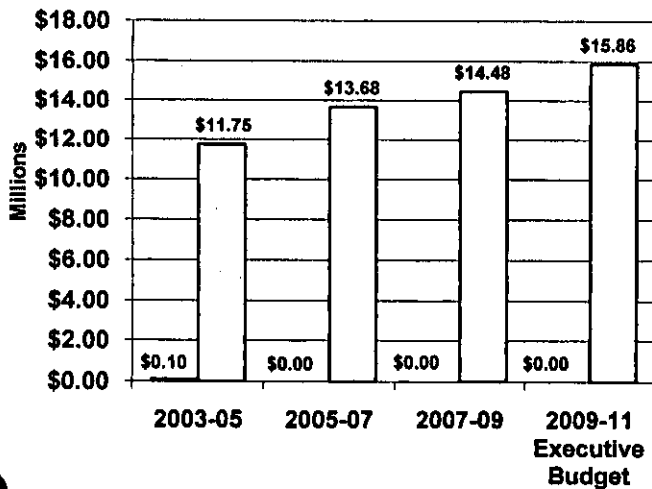
HB 1010

**Department 401 - Insurance Commissioner, Including Insurance Tax Payments to Fire Departments
House Bill No. 1010**

	FTE Positions	General Fund	Other Funds	Total
2009-11 Executive Budget	46.50	\$0	\$15,861,006	\$15,861,006
2007-09 Legislative Appropriations	46.50	0	14,482,107	14,482,107 ¹
Increase (Decrease)	0.00	\$0	\$1,378,899	\$1,378,899

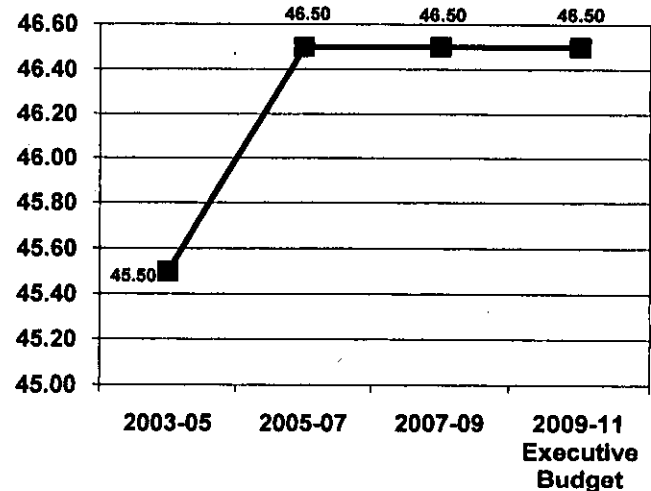
¹The 2007-09 appropriation amounts include \$26,983 of other funds for the agency's share of the \$10 million funding pool appropriated to the Office of Management and Budget for special market equity adjustments for classified employees. The 2007-09 appropriation amounts do not include \$50,000 of additional special funds authority resulting from Emergency Commission action during the 2007-09 biennium.

Agency Funding



■ General Fund □ Other Funds

FTE Positions



Executive Budget Highlights

1. Provides funding of \$139,510 to address salary equity issues, including funding of \$6,644 for the related second-year salary increase
2. Increases grant funding to the North Dakota Firefighters Association to provide total funding of \$790,000. Of the total amount, \$620,000 is from the insurance tax distribution fund and \$170,000 is from the state fire and tornado fund.
3. Includes \$6,200,000 from the insurance tax distribution fund for insurance tax payments to fire departments, the same amount as provided during the 2007-09 biennium
4. Includes \$10,000 of special funds relating to the payment of cost-benefit analyses of legislative measures mandating health insurance coverage, \$45,000 less than the level of funding provided for the 2007-09 biennium

General Fund	Other Funds	Total
	\$139,510	\$139,510
	\$500,000	\$500,000

Other Sections in Bill

Administrative costs of special funds - Sections 3, 4, 5, and 6 of House Bill No. 1010 provide for administrative costs allocated to the bonding fund, state fire and tornado fund, unsatisfied judgment fund, and the petroleum tank release compensation fund. The following schedule provides information regarding the administrative costs allocated to each special fund. The increases from the 2007 biennium will result in a decrease of \$442,847 of Insurance Department administrative costs being provided from the insurance regulatory trust fund.

	2007-09 Biennium Legislative Appropriation	2009-11 Biennium Executive Recommendation	Increase (Decrease)
Bonding fund	\$44,131	\$41,518	(\$2,613)
State fire and tornado fund	\$1,003,804	\$1,454,159	\$450,355
Unsatisfied judgment fund	\$16,546	\$24,087	\$7,541
Petroleum tank release compensation fund	\$108,674	\$96,238	(\$12,436)

Section 7 of House Bill No. 1010 provides \$150,000 from the anhydrous ammonia storage facility inspection fund to pay for anhydrous ammonia tank inspection costs, the same amount as provided during the 2007-09 biennium.

Section 8 of House Bill No. 1010 provides the statutory changes necessary to increase the commissioner's salary as follows:

Annual salary authorized by the 2007 Legislative Assembly:

July 1, 2007	\$76,511
July 1, 2008	\$79,571

Proposed annual salary recommended in the 2009-11 executive budget:

July 1, 2009	\$83,550
July 1, 2010	\$87,728

Continuing Appropriations

No continuing appropriations for this agency.

Major Related Legislation

House Bill No. 1060 - This bill would create a new section to North Dakota Century Code Chapter 26.1-01 to allow the Insurance Commissioner to conduct examinations of Workforce Safety and Insurance and provides a continuing appropriation from the Workforce Safety and Insurance fund for examination costs.



State of North Dakota
House Appropriations Committee
Government Operations Subdivision
Rep. Jeff Delzer, Chairman

Attachment
1010. 1.13.09 A

*With exception of following
pages same testimony
given to House and Senate*

North Dakota Insurance Department

Budget presentation 2009-2011 biennium HB 1010

Presented by Adam Hamm,
Insurance Commissioner
Jan. 13, 2009

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Department
Adam W. Hamm - Commissioner

North Dakota Insurance Department

Division overviews

Special Funds Division

The Special Funds Division includes a variety of programs serving North Dakotans. All of the following programs are self-funded and do not require an appropriation from either the State General Fund or the Insurance Regulatory Trust Fund.

State Bonding Fund

The State Bonding Fund provides fidelity bond coverage to the state of North Dakota and its political subdivisions including counties, townships, cities, park districts and school districts. The bond issued covers public officials and employees for theft of money and property. Established by the Legislature in 1919, no premium has been changed for this coverage since 1953. Collection of premiums resumes if the fund reserve is depleted below \$2 million and continues until the reserve fund reaches \$3 million. The State Bonding Fund serves 2,956 bondholders with a combined insured value of \$522,856,311.

- As of Oct. 31, 2008, the State Bonding Fund had a reserve balance of \$2,126,5716 with a minimum required reserve of \$2,000,000 and loss claims payable of \$144,026. The Department expects the reserve balance to fall below \$2,000,000 when 2008 year-end figures are complete.
- To date this biennium, two judgments totaling \$70,271 have been paid out on claims filed during the previous biennium.

North Dakota Insurance Department

Division overviews

Special Funds Division

Fire and Tornado Fund

Since 1919, the State Fire and Tornado Fund has provided affordable building and business personal property insurance coverage to state entities and political subdivisions of the state. In the event the reserve falls below \$12 million, assessments will be computed and collected, without exceeding 60 percent of the rates set by the Insurance Services Office for insured property, unless the reserve balance is depleted below \$3 million. The State Fire and Tornado Fund insures 8,912 public buildings throughout the state with a combined insured value of \$8.6 billion.

Current update

As of Oct. 31, 2008, the State Fire and Tornado Fund had a reserve balance of an estimated \$21,198,962 and loss claims payable of \$1,400,973. To date this biennium, approximately 313 claims totaling \$11.2 million have been processed.

Fire and Tornado Fund					
Fiscal year	# policyholders	Rate change	Premiums collected	# claims	Claim payments
2002	1,086	15% increase	\$3.91 million	351	\$4.95 million
2003	1,087	5% increase	\$4.38 million	272	\$3.13 million
2004	1,087	No change	\$4.60 million	209	\$3.24 million
2005	1,084	No change	\$4.89 million	222	\$1.39 million
2006	1,079	10% reduction	\$4.89 million	237	\$2.60 million
2007	1,084	50% premium credit	\$2.64 million	202	\$10.1 million
2008	1,085	35% premium credit	\$3.85 million	111	\$1,085,373
				As of Dec. 7, 2008	As of Dec. 7, 2008

North Dakota Insurance Department

Division overviews

Special Funds Division continued

Petroleum Tank Release Compensation Fund

The North Dakota Petroleum Tank Release Compensation Fund was established by the 1989 North Dakota State Legislature to financially assist tank owners for cleanup costs and third-party liability caused by petroleum contamination.

All owners or operators of aboveground or underground petroleum storage tanks in North Dakota are required to register their tanks with the fund and pay an annual registration fee. Violation of this law is a class B misdemeanor. The annual fee per tank can range from \$5 to \$100 depending on the level of the fund's balance, but is generally \$50. Annually, 1,648 tank owners pay a registration fee for 4,771 tanks.

If a petroleum release occurs or petroleum contamination is discovered, an eligible tank owner is reimbursed 90 percent of necessary and reasonable costs between \$5,000 and \$155,000 for cleanup of contamination or third-party liability. The fund reimburses 100 percent of costs between \$155,000 and \$1,000,000.

Current update

As of Oct. 31, 2008, the Petroleum Tank Release Compensation Fund had a reserve balance of an estimated \$5,646,881 with a minimum required balance of \$6,000,000 and loss claims payable of \$1,364,058.

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Adam W. Hansen - Commissioner

North Dakota Insurance Department

Division overviews

Special Funds Division continued

Unsatisfied Judgment Fund

The Unsatisfied Judgment Fund was created to protect residents of North Dakota against the financial hardships associated with bodily injury caused by irresponsible, uninsured, judgment-proof drivers.

A North Dakota resident who recovers in court a judgment exceeding \$300 for bodily injury incurred as a result of the operation or use of a motor vehicle may apply to a judge for an order to direct payment from the Unsatisfied Judgment Fund.

Recovery from the fund is limited to payment of \$10,000 for bodily injury, including death, of one person in any one accident or \$20,000 for bodily injury, including death, of two or more persons in any one accident.

On June 1 of any year, if the uncommitted balance of the fund has fallen below \$150,000, the motor vehicle registration fee is increased by \$1. This extra \$1 is suspended if on the next June 1 the uncommitted balance is above \$150,000 and continued if under \$150,000.

As of Oct. 31, 2008, the reserve balance of the Unsatisfied Judgment Fund was \$211,556 with a minimum required balance of \$150,000 and loss claims payable of zero. During 2006-2007, the fund paid on five files for a total of \$40,000.

North Dakota Insurance Department

Division overviews

Special Funds Division continued

Special Funds balance report

As of Oct. 31, 2008

Fund	Reserve balance	Minimum requirement	Variance fav (unfav)	Loss claims payable
State Bonding Fund	\$2,126,716	\$2,000,000	\$126,716	\$144,026
Fire and Tornado Fund	\$21,198,962	\$12,000,000	\$9,198,962	\$1,400,973
Petroleum Tank	\$5,646,881	\$6,000,000	(\$353,119)	\$1,364,058
Unsatisfied Judgment	\$211,556	\$150,000	\$61,556	0

Note: Reserve balance = cash + money market deposit accounts + investments

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**Insurance
Department**
Adrian W. Hanson, Commissioner

North Dakota Insurance Department

Section breakdown

House Bill No. 1010

Section 1—Appropriation

- The total appropriation of \$15,861,006 represents a nine percent increase over the 2007-2009 budget.
 - Salaries and wages: \$811,995 increase over last biennium (see page 22)
 - Operating expenses: Down \$76,113 due to reductions and revisions mostly in IT area
 - Capital assets: \$170,000 increase (software for the Fire and Tornado and Unsatisfied Judgment Funds)
 - Grants: \$500,000 increase—an additional \$500,000 was requested from the Governor to the ND Firefighter's Association. This was not part of the agency's original request.

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Insurance
Department
Adam W. Hennen - Commissioner

North Dakota Insurance Department

Section breakdown

House Bill No. 1010

Section 2—Insurance premium tax distribution fund payments

- The department is expected to collect \$67.1 million in premium taxes in 2009-2011.
- \$6.2 million of these funds is distributed to Fire Districts and with the request of a \$500,000 increase, a total of \$620,000 goes to the North Dakota's Firefighter's Association (see page 20).

Sections 3-6

Sections 3-6 provide for allocation of expenses for administration of each of the following funds:

Section	Fund	Expected reserve balance	Appropriated admin expense
3	State Bonding Fund	\$2,126,716	\$41,518
4	Fire and Tornado	\$21,198,962	\$1,454,159
5	Petroleum Tank Release Comp Fund	\$5,646,188	\$24,087
6	Unsatisfied Judgment Fund	\$221,556	\$96,238

North Dakota Insurance Department

Fire District Payments

Fire District Payments

- Every insurance company licensed to do business in North Dakota is subject to a premium tax. The premium tax rate is two percent for life insurance and one and three-fourths percent for accident, health, property, casualty and surplus lines of insurance.
- The insurance premium tax is collected quarterly and deposited into the State General Fund. The legislature appropriates a portion of the insurance premium tax revenue collected to be allocated to qualified fire districts in the state of North Dakota.
- House Bill 1010 appropriates \$6,820,000 from the insurance premium tax distribution fund for the 2009-2011 biennium. \$6,200,000 is distributed to qualifying fire districts within the state of North Dakota and the remaining \$620,000 goes to the North Dakota Firefighter's Association dues. Payments to districts are mailed in September of each year.
- In 2007 and 2008, \$170,000 from the Fire and Tornado Fund and \$120,000 from insurance premium tax distribution fund went to the ND Firefighter's Association. \$6.2 million was distributed to fire districts on a pro-rated amount based on the volume of tax paid in that district.
- The chart on the following page provides a sampling of district payments for 2008.

North Dakota Insurance Department

Sampling of Fire District Payments—2008

Fire district	2007 premium	% of total premiums	2008 payment
Bismarck Fire Department	\$20,754,606	6.76%	\$209,667.94
Bismarck Fire Protection District	5,013,593	1.63%	50,648.50
Bowman Fire Department	785,036	0.26%	7,930.62
Bowman Fire Protection District	451,565	0.15%	4,561.82
Dickinson Fire Department	6,636,736	2.16%	67,045.88
Dickinson Fire Protection District	1,763,505	0.57%	17,815.34
Fargo Fire Department	30,903,954	10.07%	312,199.05
Grand Forks Fire Department	14,722,230	4.80%	148,727.45
Hazen Fire Department	869,028	0.28%	8,779.13
Hazen Fire Protection District	464,900	0.15%	4,696.53
Mayville Fire Department	1,095,476	0.36%	11,066.76
Minot Fire Department	12,199,871	3.98%	123,245.98
Minot Fire Protection District	2,456,071	0.80%	24,811.81
Regent Fire Protection District	461,535	0.15%	4,662.54
Ryder-Makoti Fire Protection District	579,930	0.19%	5,858.59
Underwood Fire Protection District	1,380,191	0.45%	13,943.02
Valley City Fire Department	2,230,200	0.73%	22,530.01
Valley City Rural Fire	908,590	0.30%	9,178.79

Total state premiums:
\$306,862,744

Total annual district payments:
\$3,100,000

Formula: (Each fire district premiums ÷ statewide premiums) x \$3,100,000

North Dakota Insurance Department

Position vacancies

Position #	FTE	Class title	Status of position
4878	1.0	Senior Insurance Company Examiner	• Advertising to fill position
4889	1.0	Insurance Investigator I	• Currently assessing need to fill
4890	1.0	Division Director	• Job duties shifted to other positions
4911	1.0	Insurance Fraud Investigator	• Will likely fill in 2009-2010

Positions filled since budget was submitted	Date filled
Market Conduct, Attorney	8-19-08
Insurance Form/Rate Analyst (changed to Agent Licensing Specialist to accommodate additional hours)	10-1-08
Administrative Officer I	8-19-08

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Department**
Adam W. Hagan - Commissioner

North Dakota Insurance Department

Salary increase request

The Department is requesting a \$811,995 increase in salaries and fringe benefit budget, for a total of \$6,598,742.

Item	Amount	Description
Executive recommended increase	\$398,212	5% and 5% increase based on existing salaries
Additional appropriation – OMB	\$26,983	End of biennium adjustment
Equity plan	\$132,866	Lump sum equity plan
Department retention	\$12,000	See slide 23 for details
General payroll increase	\$241,934	Includes staff changes, adjustments to vacant position salaries, increased temp pay

Factors contributing to salary increase request:

- Unique positions related to the insurance industry
- Some positions require qualifications hard to find in North Dakota
 - Senior Insurance Company Examiner is a highly technical position and eligible applicants are difficult to find. The department has advertised on a national level. This position is necessary for accreditation requirements.
 - Those positions, once filled, require extensive training and professional development
- Often have to pay more to replace recent retirements
- Department expect several retirements in upcoming years
- Some positions, especially those with long-term employees or vacant positions, have fallen behind in salaries
- Department has seen heavy increase in number of insurance fraud cases and will likely fill 4889, 4991 or both to meet the increased work load



North Dakota
Senate Appropriations Committee
Ray Holmberg, Chairman

North Dakota Insurance Department

Budget presentation
2009-2011 biennium
HB 1010

Presented by Adam Hamm,
Insurance Commissioner
March 2, 2009

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Adam W. Hamm, Commissioner

North Dakota Insurance Department

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ND Insurance industry and regulation

At a glance

The insurance industry

	2007	2008
• Total premium written	\$3.7 billion	n/a
• Net premium tax collected (general fund dollars)	\$27 million	n/a
• Claims, losses and benefits paid to consumers	\$2.7 billion	n/a

Regulation and consumer protection

• ND Insurance Department FTEs	46.5	46.5
• Consumer relief from complaints and hotline contacts	\$3.3 million	\$1.4 million
• Administrative fines from agents and companies	\$754,000	\$25,795
• Administrative relief from agents and companies	\$675,600	0
• Collection of delinquent company licensing fees	\$950,000 (in 2007 and 2008)	

State Health Insurance Counseling (SHIC) Program

• Number of North Dakotans assisted	9,484	13,502
• Savings for North Dakota citizens	\$2.4 million	\$3.4 million
• Centers for Medicare and Medicaid grants	\$229,015	\$359,619

Prescription Connection Program

• Number of North Dakotans assisted	3,878	4,138
• Savings for North Dakota citizens	\$2.5 million	\$2.7 million

Benefiting North Dakota taxpayers

• Insurance regulatory trust fund: turnback to the general fund	\$3,455,194	\$3,894,821
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Adam W. Hoenes - Commissioner

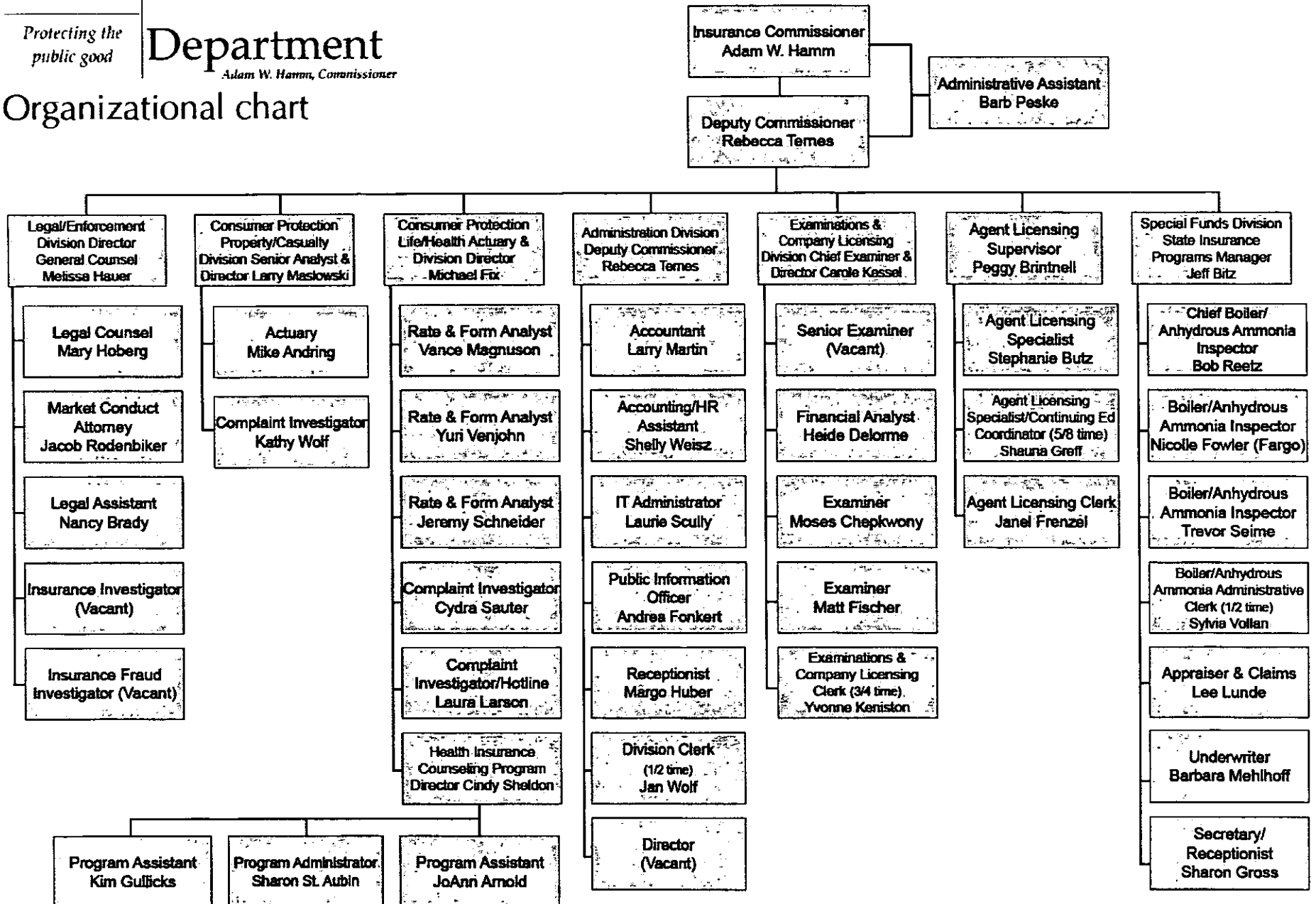
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Organizational chart



Updated Jan. 12, 2009

North Dakota Insurance Department

Division overviews

Administration Division

The Administration Division of the Insurance Department is responsible for oversight of the budget, accounting, IT needs and general office support through the department. In addition, the division oversees day-to-day business operations, public relations, human resource management and the internal policies and procedures for the department.

Agent Licensing Division

The Agent Licensing Division is responsible for the licensing of more than 52,800 insurance producers doing business in North Dakota, 7,491 resident and 45,378 non-resident. Insurance producers must comply with pre-licensing exams, background checks and continuing education requirements. The division approves continuing education courses, determines the appropriate credit and monitors agent compliance with the licensing and continuing education requirements.

2007-2008 in review

- In 2008, Fraud and Investigations was relocated to the Legal Division.
- In 2008, the department collected administrative fines totaling \$25,795. The Agent Licensing Division implemented several new electronic initiatives and processes.

North Dakota Insurance Department

Division overviews

Legal Division

The primary function of the Legal Division is to provide counsel and advice to the Insurance Commissioner and department staff. Other functions of the division include: investigating and litigating fraud and administrative actions; and, reviewing drafts and finalizing proposed law and rule changes.

When it comes to the attention of the Insurance Department that an insurance agent or company may have acted in violation of the law, the Legal Division initiates the appropriate enforcement proceeding. Possible consequences of the proceeding include: a penalty fine, a suspended or revoked license and, occasionally, an investigation of specific company activities in a market conduct examination.

2007-2008 in review

In 2007, one rule-making hearing was held on the following subjects: unfair sex discrimination, preferred mortality tables, loss ratios, accounting practices and procedures, audited financial reports, risk retention and purchasing groups, licensing of insurance producers, continuing education and pre-licensure education, viatical settlements, surplus lines, military sales model regulation and hobby boiler operator licensing.

In 2008, one hearing was held on pre-need life insurance minimum standards.

The commissioner signed one cease and desist order in 2007 and one in 2008. Both orders were against North Dakota agents.

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North Dakota Insurance Department

Division overviews

Examinations and Company Licensing Division

The primary function of the Examinations and Company Licensing Division is to monitor the financial strength of insurance companies licensed to do business in North Dakota. Division examiners perform periodic financial audits to assure these companies maintain reserves sufficient to pay policyholder claims and comply with state laws.

As of Dec. 5, 2008, there were a total of 2,120 insurance entities licensed to do business in North Dakota and among them, 39 domiciled companies. During fiscal year 2008, nine financial exams were completed on North Dakota domiciled companies. As of Dec. 16, 2008, two financial exams have been completed during the current fiscal year and six are in progress.

The North Dakota Insurance Department received its fourth-round Accreditation Award in June 2007 as part of the National Association of Insurance Commissioners' (NAIC) Financial Regulation Standards and Accreditation Program. Accredited insurance departments are required to undergo a comprehensive review by an independent review team every five years.

Consumer Protection: Property/casualty and life/health

The Consumer Protection Division consists of two subdivisions: property/casualty and life/health. To protect consumers, division analysts review policy forms and rate filings for insurance products that insurance companies seek to sell in North Dakota. The division also provides an insurance hotline service to consumers offering prompt answers to questions on claims and policies. When appropriate, the staff helps consumers file formal complaints. Investigators gather facts on these complaints and getting their disputed claims settled.

2007-2008 in review

During 2007 and 2008, staff processed 19,493 inquiries and complaints from North Dakotans needing help resolving insurance-related matters and obtained more than \$3.3 million in relief on behalf of consumers.

North Dakota Insurance Department

Division overviews

Consumer Protection: Life/Health continued

Included in the Consumer Protection Life/Health Division are two programs benefiting North Dakotan consumers: the State Health Insurance Counseling (SHIC) Program and the Prescription Connection Program.

State Health Insurance Counseling (SHIC)

Funded through the Centers for Medicare and Medicaid Services (CMS), the SHIC program provides free, confidential health insurance counseling to Medicare beneficiaries, their families or other representatives. Services provided by trained SHIC counselors include:

- Help enrolling in the new Medicare Part D prescription drug plans
- Explanation of benefits of long-term care insurance
- Evaluation of insurance coverage
- Assistance with claims and appeals

2007-2008 in review

In 2007, the SHIC program held seven Medicare Part D open enrollment events around the state, helping approximately 1,000 consumers. In 2008, 10 events were held helping nearly 1,600 consumers with their Medicare Part D plans. In the two years combined, 22,986 North Dakotans were assisted, saving more than \$6 million.

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Division overviews

Consumer Protection: Life/Health continued

Prescription Connection

The Prescription Connection program helps low income North Dakotans of all age groups find low-cost and no-cost prescription drugs by connecting them with prescription assistance programs (PAPs) offered by pharmaceutical manufacturers. Program staff assist consumers with every aspect of the application process and connect 99 percent of all applicants to an appropriate PAP.

2007-2008 in review

In 2007 and 2008, the Prescription Connection program helped approximately 8,016 people across North Dakota obtain more affordable or free prescriptions. Savings to these low-income applicants amounted to \$5.17 million in prescription drug costs that would otherwise be unaffordable.

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Division overviews

Special Funds Division

The Special Funds Division includes a variety of programs serving North Dakotans. All of the following programs are self-funded and do not require an appropriation from either the State General Fund or the Insurance Regulatory Trust Fund.

State Bonding Fund

The State Bonding Fund provides fidelity bond coverage to the state of North Dakota and its political subdivisions including counties, townships, cities, park districts and school districts. The bond issued covers public officials and employees for theft of money and property. Established by the Legislature in 1919, no premium has been charged for this coverage since 1953. Collection of premiums resumes if the fund reserve is depleted below \$2 million and continues until the reserve fund reaches \$3 million. The State Bonding Fund serves 2,956 bondholders with a combined insured value of \$522,856,311.

- As of Dec. 31, 2008, the State Bonding Fund had a reserve balance of \$2,157,931 with a minimum required reserve of \$2,000,000 and loss claims payable of \$141,000. The Department expects the reserve balance to fall below \$2,000,000 in the 2008-2009 fiscal year.
- To date this biennium, two judgments totaling \$70,271 have been paid out on claims filed during the previous biennium.

North Dakota Insurance Department

Division overviews

Special Funds Division

Fire and Tornado Fund

Since 1919, the Fund has provided affordable building and business personal property insurance coverage to state entities and political subdivisions of the state. In the event the reserve falls below \$12 million, assessments will be computed and collected, without exceeding 60 percent of the rates set by the Insurance Services Office for insured property, unless the reserve balance is depleted below \$3 million. The State Fire and Tornado Fund insures 8,912 public buildings throughout the state with a combined insured value of \$8.6 billion.

Current update

As of Dec. 31, 2008, the State Fire and Tornado Fund had a reserve balance of \$21,005,685 and loss claims payable of \$1,391,706. To date this biennium, approximately 313 claims totaling \$11.2 million have been processed.

Fire and Tornado Fund					
Fiscal year	# policyholders	Rate change	Premiums collected	# claims	Claim payments
2002	1,086	15% increase	\$3.91 million	351	\$4.95 million
2003	1,087	5% increase	\$4.38 million	272	\$3.13 million
2004	1,087	No change	\$4.60 million	209	\$3.24 million
2005	1,084	No change	\$4.89 million	222	\$1.39 million
2006	1,079	10% reduction	\$4.89 million	237	\$2.60 million
2007	1,084	50% premium credit	\$2.64 million	202	\$10.1 million
2008	1,085	35% premium credit	\$3.85 million	111 (12/7/08)	\$1,085,373 (12/7/08)

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Division overviews

Special Funds Division continued

Petroleum Tank Release Compensation Fund

The North Dakota Petroleum Tank Release Compensation Fund was established by the 1989 North Dakota State Legislature to financially assist tank owners for cleanup costs and third-party liability caused by petroleum contamination.

All owners or operators of aboveground or underground petroleum storage tanks in North Dakota are required to register their tanks with the fund and pay an annual registration fee. Violation of this law is a class B misdemeanor. The annual fee per tank can range from \$5 to \$100 depending on the level of the fund's balance, but is generally \$50. Annually, 1,648 tank owners pay a registration fee for 4,771 tanks.

If a petroleum release occurs or petroleum contamination is discovered, an eligible tank owner is reimbursed 90 percent of necessary and reasonable costs between \$5,000 and \$155,000 for cleanup of contamination or third-party liability. The fund reimburses 100 percent of costs between \$155,000 and \$1,000,000.

Current update

As of Dec. 31, 2008, the Petroleum Tank Release Compensation Fund had a reserve balance of \$5,583,350 with a minimum required balance of \$6,000,000 and loss claims payable of \$1,188,935.

North Dakota Insurance Department

Division overviews

Special Funds Division continued

Unsatisfied Judgment Fund

The Unsatisfied Judgment Fund was created to protect residents of North Dakota against the financial hardships associated with bodily injury caused by irresponsible, uninsured, judgment-proof drivers.

A North Dakota resident who recovers in court a judgment exceeding \$300 for bodily injury incurred as a result of the operation or use of a motor vehicle may apply to a judge for an order to direct payment from the Unsatisfied Judgment Fund.

Recovery from the fund is limited to payment of \$10,000 for bodily injury, including death, of one person in any one accident or \$20,000 for bodily injury, including death, of two or more persons in any one accident.

On June 1 of any year, if the uncommitted balance of the fund has fallen below \$150,000, the motor vehicle registration fee is increased by \$1. This extra \$1 is suspended if on the next June 1 the uncommitted balance is above \$150,000 and continued if under \$150,000.

As of Dec. 31, 2008, the reserve balance of the Unsatisfied Judgment Fund was \$211,482 with a minimum required balance of \$150,000 and loss claims payable of zero. During 2006-2007, the fund paid on five files for a total of \$40,000.

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North Dakota Insurance Department

Division overviews

Special Funds Division continued

Special Funds balance report

As of Dec. 31, 2008

Fund	Reserve balance	Minimum requirement	Variance fav (unfav)	Loss claims payable
State Bonding Fund	\$2,157,931	\$2,000,000	\$157,931	\$141,000
Fire and Tornado Fund	\$21,005,685	\$12,000,000	\$9,005,685	\$1,391,706
Petroleum Tank	\$5,583,350	\$6,000,000	(\$416,650)	\$1,188,935
Unsatisfied Judgment	\$211,482	\$150,000	\$61,482	\$0

Note: Reserve balance = cash + investments - liabilities

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Division overviews

Special Funds Division continued

Boiler and Pressure Vessel Inspection Programs

- The Boiler and Pressure Vessel Inspection Programs provide initial and periodic inspections of boilers of all sizes, types and pressures. Nominal fees ranging from \$40-\$90 per boiler are collected to fund the inspection activity.
- There are approximately 8,850 boilers in North Dakota. The department inspects approximately 4,505 boilers and ensures that the remaining 4,345 boilers are inspected by their private insurance carriers.
- A hobby boiler licensing program, passed in the 2007 session, has been implemented.

Anhydrous Ammonia Facility Inspection Program

The Anhydrous Ammonia Inspection Program provides initial and periodic inspections of anhydrous ammonia storage facilities, including storage containers, system piping, safety equipment and nurse tanks. Inspections of storage facilities and providing of technical information are handled by the Insurance Department through the State Fire and Tornado Fund and the Boiler Inspection Program.

North Dakota Insurance Department

Section breakdown

HB 1010

Section 1—Appropriation

- The original appropriation request of \$15,861,006 represented a nine percent increase over the 2007-2009 budget. The version passed by the ND House of Representatives represents a five percent increase at \$15,209,749.
 - Salaries and wages (see page 22)
 - Original request: \$811,995 increase over last biennium
 - Amended version: \$419,738 increase over last biennium
 - Operating expenses
 - Original request: Decrease of \$76,113 from 07-09 due to reductions and revisions mostly in IT area
 - Amended version: Decrease of \$115,113 from 07-09
 - Capital assets
 - \$170,000 increase (software for the Fire and Tornado and Unsatisfied Judgment Funds)
 - Grants
 - Original request: \$500,000 increase from 07-09 requested by the Governor for the ND Firefighter's Association. This was not part of the agency's original request.
 - Amended version: \$380,000 increase from 07-09 to the ND Firefighter's Association for training grants.

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North Dakota Insurance Department

Section breakdown

HB 1010

Section 2—Insurance premium tax distribution fund payments

- The department is expected to collect \$67.1 million in premium taxes in 2009-2011.
- \$6.2 million of these funds is distributed to Fire Districts (see page 20) and in the ND House version, \$300,000 is allocated to the ND Firefighter's Association for training

Sections 3-6

- Sections 3-6 provide for allocation of expenses for administration of each of the following funds:

Section	Fund	Expected reserve balance	*Appropriated admin expense
3	State Bonding Fund	\$1,800,000	\$41,518
4	Fire and Tornado	\$20,700,000	\$1,454,159
5	Petroleum Tank Release Comp Fund	\$5,500,000	\$96,238
6	Unsatisfied Judgment Fund	\$208,000	\$24,087

* Does not reflect reductions made by ND House of Representatives.

North Dakota Insurance Department

Section breakdown

HB 1010

Section 7—Anhydrous Ammonia Storage Facility Inspection Fund

Section 7 of the Act includes the sum of \$150,000 to pay for anhydrous ammonia tank inspection costs.

Section 8—Amendment

This amendment provides for the Governor's recommended salary increases of five percent and five percent for the Insurance Commissioner's salary.

North Dakota Insurance Department

Fire District Payments

Fire District Payments

- Every insurance company licensed to do business in North Dakota is subject to a premium tax. The premium tax rate is two percent for life insurance and one and three-fourths percent for accident, health, property, casualty and surplus lines of insurance.
- The insurance premium tax is collected quarterly and deposited into the State General Fund. The legislature appropriates a portion of the insurance premium tax revenue collected to be allocated to qualified fire districts in the state of North Dakota.
- Engrossed House Bill 1010 appropriates \$6,500,000 from the insurance premium tax distribution fund for the 2009-2011 biennium. \$6,200,000 is distributed to qualifying fire districts within the state of North Dakota and the remaining \$300,000 goes to the North Dakota Firefighter's Association for training grants.
- In 2007 and 2008, \$170,000 from the Fire and Tornado Fund and \$120,000 from insurance premium tax distribution fund went to the ND Firefighter's Association. The amended version leaves the \$170,000 payment but removes the \$120,000.
- The chart on the following page provides a sampling of district payments for 2008.

North Dakota Insurance Department

Sampling of Fire District Payments—2008

Fire district	2007 premium	% of total premiums	2008 payment
Grand Forks Fire Dept	\$ 14,722,230.00	4.80%	\$ 148,727.45
Bowman Fire Dept	\$ 785,036.00	26.00%	\$ 7,930.62
Bowman Rural Fire Dept	\$ 451,565.00	0.15%	\$ 4,561.82
Fargo Fire Dept	\$ 30,903,954.00	10.07%	\$ 312,199.05
Hazen Fire Dept	\$ 869,028.00	0.28%	\$ 8,779.13
Hazen F/P District	\$ 464,900.00	0.15%	\$ 4,696.53
Fargo Fire Dept	\$ 30,903,954.00	10.07%	\$ 312,199.05
Bismarck Fire Dept	\$ 20,754,606.00	6.76%	\$ 209,667.94
Bismarck F/P District	\$ 5,013,593.00	1.63%	\$ 50,648.50
Regent F/P District	\$ 461,535.00	0.15%	\$ 4,662.54
Minot Fire Dept	\$ 12,199,871.00	3.98%	\$ 123,245.98
Minot F/P District	\$ 2,456,071.00	0.80%	\$ 24,811.81
Mayville Fire Dept	\$ 1,095,476.00	0.36%	\$ 11,066.76
Fargo Fire Dept	\$ 30,903,954.00	10.07%	\$ 312,199.05
Valley City Fire Dept	\$ 2,230,200.00	0.73%	\$ 22,530.01
Valley City Rural Fire	\$ 908,590.00	0.30%	\$ 9,178.79
Dickinson Fire Dept	\$ 6,636,736.00	2.16%	\$ 67,045.88
Dickinson F/P District	\$ 1,763,505.00	0.57%	\$ 17,815.34
Ryder-Makoti F/P District	\$ 579,930.00	0.19%	\$ 5,858.59

Total state premiums:
\$306,862,744

**Total annual district
payments:**
\$3,100,000

North Dakota Insurance Department

Position vacancies

Position #	FTE	Class title	Status of position
4878	1.0	Senior Insurance Company Examiner	• Advertising to fill position
4889	1.0	Insurance Investigator I	• Currently assessing need to fill
4890	1.0	Division Director	• Job duties shifted to other positions
4911	1.0	Insurance Fraud Investigator	• Eliminated by ND House version

Positions filled since budget was submitted	Date filled
Market Conduct, Attorney	8-19-08
Insurance Form/Rate Analyst (changed to Agent Licensing Specialist to accommodate additional hours)	10-1-08
Administrative Officer I	8-19-08

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North Dakota Insurance Department

Salary increase request

Item	Original request	House version	Description
Gov. budget increase	\$398,212	\$138,821	5% and 5% increase based on existing salaries
Equity plan	\$132,866	\$0	Lump sum equity plan
Department retention	\$12,000	\$12,000	See slide 23 for details
General payroll increase and cost to continue	\$268,917	\$268,917	Includes staff changes, adjustments to vacant position salaries, increased temp pay, and cost to continue
Total	\$811,995	\$419,738	The House version equals a reduction of 48% or \$392,257.

Factors contributing to salary increase request:

- The Senior Insurance Company Examiner is a technical position and applicants are difficult to find. The department has advertised on a national level. This position is necessary for accreditation requirements.
- Many positions are unique to the insurance industry.
- The Department often has to pay more to replace retirees.
- The Department expects several retirements in upcoming years.
- Some positions, especially those with long-term employees or vacant positions, have fallen behind in salaries.
- The Department has seen a heavy increase in the number of insurance fraud cases and had planned to fill one or both of the investigator positions. One investigator position was eliminated in by the House.

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North Dakota Insurance Department

Salary increase request continued

Included in the Department pay plan request is a retention program for the financial examination and analysis staff. This program is designed to provide a financial incentive for the staff to earn designated credentials essential to the Department's national accreditation status sooner and retain these staff longer to earn a better return on our investment.

The program would consist of a one-time payment paid at the time the designation is earned. Similar to our tuition policy, the staff member must remain employed at least one year after the payment is made, or the entire amount must be returned to the Department.

Credential	One-time amount
Accredited Financial Examiner (AFE)	\$2,000
Certified Financial Examiner (CFE)	\$4,000

The timeline to achieve these certifications for inexperienced staff is approximately 4 years for the AFE (1-2 years for general training, 2 years to take the four tests involved) and 6 years for the CFE (2 years to take the 3 exams).

North Dakota Insurance Department

Summary of major goals and objectives

The following 10 major goals and objectives of the Insurance Department are ongoing:

1. Continued progress toward fully-electronic (paperless) systems in insurance regulation

Achievements

- Company Licensing implemented electronic filing of Abstract of Statements and electronic imaging of filings, and increased electronic submissions of Corporate Amendment filings by admitted companies
- Agent Licensing implemented several electronic processes
- Implemented electronic premium tax system
- SERFF electronic filing by companies now at more than 90%

Planned focus during 2009-2011 biennium

- Participate in electronic address changes for business entities when implemented by National Insurance Producer Registry (NIPR)
- Implement State Based System (SBS) computer program which is provided and maintained by National Association of Insurance Commissioners (NAIC)
- Implement electronic process to receive surplus lines premium tax payments
- Implement system to allow electronic payments by admitted and registered companies

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Summary of major goals and objectives

2. Adopt changes to the Annual Audited Financial Reports Regulation

Planned focus during 2009-2011 biennium

- Strengthen company practices relating to auditor independence, corporate governance and internal control over financial reporting

3. Provide information for companies on the department website to clarify holding company requirements and filings

4. Enhance outreach programs and consumer education

Achievements during 2007-2009 biennium

- Presentations given to Board of Directors of county mutual insurance companies to promote corporate governance best practices
- Aired television and radio advertisement for SHIC and Prescription Connection
- Updated consumer handbooks for auto and homeowners insurance
- Updated the Fire and Tornado mitigation brochures and made web-friendly
- Began promoting the Insure U life stages consumer education campaign
- Increased unique visitor website traffic by almost 20 percent
- Developed and published on the web insurance FAQ for small businesses
- Conducted and published a study on miscellaneous personal vehicle state requirements and insurance availability
- Affiliated with JumpStart ND to promote financial literacy

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North Dakota Insurance Department

Summary of major goals and objectives

(Goal 4 continued)

Planned focus during 2009-2011 biennium

- Enhance the department website to be more user-friendly
- Continue to promote the Insure U program
- Develop informational material for use in educating high school students about the use of credit and its impact on insurance and work with JumpStart ND to disseminate information
- Promote staff and commissioner as a resource to industry and consumer groups

5. Timely response to inquiries and requests

- Process new company applications for licensure within 60 days
- Respond to inquiries within 24 hours
- Respond to complaints within timeframe appropriate for each division

North Dakota Insurance Department

Summary of major goals and objectives

6. Improve enforcement and solvency regulation

Achievements during 2007-2009 biennium

- Received an Accreditation Award pursuant to the National Association of Insurance Commissioners (NAIC) Financial Regulation Standards and Accreditation Program
- Implemented a risk-focused approach for financial examinations of domestic insurers
- Identified and collected \$950,000 of delinquent company renewal fees due on a retaliatory basis

Planned focus during 2009-2011 biennium

- Improve collection of judgments
- Strengthen administrative financial penalties
- Improve market analysis function

7. Continue to develop internal and external resources to assure competent enforcement of laws and timely regulatory action

Achievements during 2007-2009 biennium

- Filled market conduct attorney position
- Reorganized legal and fraud functions

Planned focus during 2009-2011 biennium

- Potentially fill investigator positions
- Increase involvement with local, state and federal law enforcement

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Summary of major goals and objectives

8. Continue to develop SHIC program

Achievements during 2007-2009 biennium

- Implemented Turning 65 educational events
- Extended outreach to low-income Medicare beneficiaries and people with disabilities
- Partnered with 34 new volunteers
- Added three Medicare Part D open enrollment events for a total of 10 cities
- Aired television and radio ads targeting low-income Medicare beneficiaries

Planned focus during 2009-2011 biennium

- Increase number of Turning 65 educational events

9. Implement consumer protection enhancements as a result of 2007 legislation

Achievements during 2007-2009 biennium

- Adopted Administrative Code chapter 45-04-07.3 to enable companies selling pre-need life insurance to use the 1980 CSO mortality table
- Completed a general rulemaking project to address several 2007 legislative changes
- Bulletin 2008-2 regarding improper use of certain designations or titles targeting senior purchases

Planned focus during 2009-2011 biennium

- Adopt Rules and Bulletins necessary to implement statutory changes, if any, created during the 2009 Legislative Session
- Adopt amendments to current Medicare Medigap rules to conform to changes to the NAIC model regulation and ensure an effective date of no later than Sept. 1, 2009

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North Dakota Insurance Department

Summary of major goals and objectives

10. Enhance collection of money owed to Department

Achievements during 2007-2009 biennium

- Pursue and collect delinquent boiler inspection fees
- Pursue collection of judgments in favor of Department's Special Funds

Planned focus during 2009-2011 biennium

- Introduce a bill to allow offset of income tax refund to pay outstanding judgments in favor of the Department
- Pursue collection of past due premiums for Petroleum Tank Release Fund
- Continue to pursue collection of all fees and judgments due to the Department
- Pursue delinquent company renewal fees

**ND INSURANCE DEPARTMENT
APPROPRIATED EXPENDITURES STATEMENT
ALL FUNDS**

	CURRENT MONTH		18 MONTHS ENDED DECEMBER 31, 2008			% SPENT	BIENNIUM BUDGET	BUDGET REMAINING
	ACTUAL	BUDGET	ACTUAL	BUDGET	FAV (UNFAV)			
SALARIES								
SALARIES	\$ 171,369	\$ 187,011	\$ 2,722,752	\$ 3,217,986	\$ 495,234	63%	\$ 4,340,093	\$ 1,617,341
BENEFITS	\$ 54,029	\$ 62,754	\$ 887,730	\$ 1,097,076	\$ 209,346	60%	\$ 1,473,637	\$ 585,907
TOTAL SALARIES/BENEFITS	\$ 225,398	\$ 249,765	\$ 3,610,482	\$ 4,315,062	\$ 704,580	62%	\$ 5,813,730	\$ 2,203,248
OPERATING EXPENSES								
TRAVEL	\$ 14,709	\$ 18,630	\$ 185,711	\$ 227,850	\$ 42,139	63%	\$ 295,000	\$ 109,289
IT-SOFTWARE/SUPPLIES	\$ 957	\$ 2,416	\$ 54,243	\$ 30,999	\$ (23,244)	136%	\$ 39,800	\$ (14,443)
PROFESSIONAL SUPPLIES	\$ 938	\$ 1,059	\$ 9,620	\$ 18,525	\$ 8,905	38%	\$ 25,000	\$ 15,380
MISC SUPPLIES	\$ 141	\$ 2,040	\$ 10,090	\$ 36,678	\$ 26,588	21%	\$ 49,000	\$ 38,910
OFFICE SUPPLIES	\$ 810	\$ 1,625	\$ 19,042	\$ 27,477	\$ 8,435	49%	\$ 39,000	\$ 19,958
SAFETY	\$ -	\$ 102	\$ 63	\$ 1,457	\$ 1,394	3%	\$ 2,000	\$ 1,937
POSTAGE	\$ 4,332	\$ 5,206	\$ 67,717	\$ 88,903	\$ 21,186	54%	\$ 125,000	\$ 57,283
PRINTING	\$ 5,592	\$ 4,231	\$ 72,196	\$ 82,044	\$ 9,848	65%	\$ 111,000	\$ 38,804
IT EQUIP-UNDER \$5000	\$ 3,194	\$ 161	\$ 14,371	\$ 24,582	\$ 10,211	22%	\$ 65,000	\$ 50,629
OFF EQUIP/FURN-UNDER \$5000	\$ -	\$ 1,050	\$ 5,318	\$ 23,700	\$ 18,382	18%	\$ 30,000	\$ 24,682
INSURANCE	\$ -	\$ 1,606	\$ 16,991	\$ 30,358	\$ 13,367	42%	\$ 40,000	\$ 23,009
RENTALS/LEASES-EQUIP/OTHER	\$ 676	\$ 1,288	\$ 11,571	\$ 22,636	\$ 11,065	37%	\$ 31,000	\$ 19,429
RENTALS/LEASES-BLDG & LAND	\$ 7,312	\$ 5,298	\$ 171,263	\$ 168,701	\$ (2,562)	76%	\$ 225,000	\$ 53,737
REPAIRS	\$ -	\$ 158	\$ 180	\$ 2,994	\$ 2,814	5%	\$ 4,000	\$ 3,820
IT-DATA PROCESSING	\$ 11,244	\$ 18,294	\$ 191,898	\$ 324,373	\$ 132,475	43%	\$ 450,000	\$ 258,102
IT-COMMUNICATIONS	\$ 3,825	\$ 3,535	\$ 52,747	\$ 60,440	\$ 7,693	62%	\$ 85,000	\$ 32,253
IT-CONTRACT SERV/REPAIR	\$ 3,785	\$ 2,757	\$ 13,334	\$ 46,212	\$ 32,878	21%	\$ 63,470	\$ 50,136
PROFESSIONAL DEVELOPMENT	\$ 1,330	\$ 3,599	\$ 33,162	\$ 61,822	\$ 28,660	41%	\$ 80,000	\$ 46,838
OPERATING FEES & SERVICES	\$ 6,590	\$ 11,668	\$ 85,004	\$ 230,037	\$ 145,033	28%	\$ 304,987	\$ 219,983
PROFESSIONAL SERVICES	\$ 3,566	\$ 5,964	\$ 57,465	\$ 126,291	\$ 68,826	35%	\$ 164,120	\$ 106,655
TOTAL OPERATING EXPENSES	\$ 69,002	\$ 90,687	\$ 1,071,985	\$ 1,636,079	\$ 564,094	48%	\$ 2,228,377	\$ 1,156,392
EQUIPMENT-\$5000 & OVER	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -	\$ -
TOTAL EXPENDITURES	\$ 294,400	\$ 340,452	\$ 4,682,467	\$ 5,951,141	\$ 1,268,674	58%	\$ 8,042,107	\$ 3,359,640

**18 MONTHS (75%) OF BIENNIUM EXPIRED
6 MONTHS (25%) OF BIENNIUM REMAINING**

**ND INSURANCE DEPARTMENT
APPROPRIATION STATUS
FOR THE 2007- 2009 BIENNIUM**

Line Item	Current Appropriation	Expended as of 12/31/2008	Balance Remaining	Projected Expenses	Projected Ending Balance	Projected Remaining
Salary and Wages	5,813,730	3,610,482	2,203,248	1,221,443	981,805 (1)	17%
Operating Expenses	2,228,377	1,071,985	1,156,392	617,000 (2)	539,392	24%
Grants	6,490,000	6,490,000	-	-	-	0%
Totals	<u>\$ 14,532,107</u>	<u>\$ 11,172,467</u>	<u>\$ 3,359,640</u>	<u>\$ 1,838,443</u>	<u>\$ 1,521,197</u>	<u>23%</u>

(1) Portion reserved for vacant positions included in ending balance

\$488,220

(2) Projected Operating Expenses Not Yet Incurred

Computer Replacement	43,000
Mandated Health Study	30,000
Boiler Inspection Software Development	25,000
Administrative Hearings (Estimated)	15,000
Furniture & Equipment	4,000
Routine Operating Expenses - 6 Month Estimate	500,000
	<u>\$ 617,000</u>

**ND INSURANCE DEPARTMENT
SUMMARY OF GRANTS
FOR THE 2007 - 2009 BIENNIUM**

GRANTEE	APPROPRIATION	EXPENDED AS OF 12/31/2008	FUNDING SOURCE	PURPOSE
ND Fire Fighters Association	120,000	120,000	Insurance Tax Distribution fund	Offset Member Dues
ND Fire Fighters Association	170,000	170,000	Fire & Tornado Fund	Training
ND Fire Distrcts (See Separate Listing)	6,200,000	6,200,000	Insurance Tax Distribution fund	Per NDCC18-04-05
	<u>\$ 6,490,000</u>	<u>\$ 6,490,000</u>		

ND INSURANCE DEPARTMENT
SUMMARY OF INSURANCE TAX DISTRIBUTION FUND PAYMENTS
FOR THE 2007-2009 BIENNIUM

GRANTEE	APPROPRIATION	EXPENDED AS OF 12/31/2008	BALANCE REMAINING	PURPOSE
ND Fire Fighters Association	120,000	120,000	-	Offset Member Dues
ND Fire Distrcts (See Separate Listing)	6,200,000	6,200,000	-	Per NDCC18-04-05
Emergency Service Operations Providers (Estimated)	1,250,000	691,914	558,086	Health Department Appropriation
	<u>\$ 7,570,000</u>	<u>\$ 7,011,914</u>	<u>\$ 558,086</u>	

ND INSURANCE DEPARTMENT
INSURANCE TAX DISTRIBUTION FUND PREMIUM AND TAX HISTORY
FOR THE TEN YEARS ENDING DECEMBER 31, 2007 - CALENDAR YEAR BASIS

YEAR	PREMIUMS REPORTED	PREMIUM TAX COLLECTED
1998	\$ 181,771,209	\$ 3,180,996
1999	\$ 170,693,175	\$ 2,987,131
2000	\$ 194,626,506	\$ 3,405,964
2001	\$ 211,549,219	\$ 3,702,111
2002	\$ 239,182,413	\$ 4,185,692
2003	\$ 279,024,462	\$ 4,882,928
2004	\$ 269,876,034	\$ 4,722,831
2005	\$ 292,456,078	\$ 5,117,981
2006	\$ 290,322,343	\$ 5,080,641
2007	\$ 306,862,744	\$ 5,370,098
	<u>\$ 2,436,364,183</u>	<u>\$ 42,636,373</u>

Insurance companies report the amount of premiums collected for fire, allied lines, homeowner's multiple peril, farmowner's multiple peril, and commercial multiple peril insurance each calendar year. Premium tax is calculated at 1 3/4% of the premiums reported according to NDCC 26.1-03-17.

Premium tax collected on fire, allied lines, homeowner's multiple peril, farmowners multiple peril, and commercial multiple peril insurance premiums sold is deposited in the insurance tax distribution fund in an amount not exceeding the biennial amount appropriated for distribution.

ND INSURANCE DEPARTMENT
INSURANCE TAX DISTRIBUTION FUND APPROPRIATED DISTRIBUTION HISTORY
FOR THE BIENNIUM ENDING JUNE 30TH

PAYEE	2001-2003	2003-2005	2005-2007	2007-2009	PROPOSED 2009-2011
Fire District Payments	\$ 5,200,000	\$ 5,200,000	\$ 6,200,000	\$ 6,200,000	6,200,000
ND Firefighters Assoc - Dues	\$ 104,000	\$ 104,000	\$ 120,000	\$ 120,000	120,000
ND Firefighters Assoc - Training	\$ -	\$ -	\$ -	\$ -	500,000
Spec Grant-ND Assoc of Oil & Gas Producing Counties	\$ -	\$ -	\$ 100,000	\$ -	-
Emergency Medical Services Operations - ND Health Department	\$ -	\$ -	\$ -	\$ 1,250,000	3,250,000
Emergency Medical Services Assessments, Training & Recruitment - ND Health Department	\$ -	\$ -	\$ -	\$ -	1,274,000
Firefighter Death Benefits	\$ -	\$ -	\$ -	\$ 50,000	50,000 (1)
TOTAL	\$ 5,304,000	\$ 5,304,000	\$ 6,420,000	\$ 7,620,000	\$ 11,394,000 (2)

(1) Firefighter death benefits are paid from the Firefighter Death Benefit fund and are included on this report because they are funded from the same revenue as the Tax Distribution Fund. Up to \$50,000 per biennium may be paid into the firefighter death benefit fund as needed.

(2) Assuming the insurance premiums sold in 2009 and 2010 for fire, allied lines, homeowner's multiple peril, farmowner's multiple peril and commercial multiple peril equal those sold in 2007, the tax collected on these premium sales will not be sufficient to fund the proposed uses in the 2009-2011 biennium. The projected shortfall in revenue is estimated to be \$653,804 (5,370,098+5,370,098-11,394,000).

**NORTH DAKOTA
INSURANCE DEPARTMENT**

**DETAIL INFORMATION REQUEST
GOVERNMENT OPERATIONS COMMITTEE**

Representative Delzer, Chairman

Insurance Department Detail Information Request

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**ND INSURANCE DEPARTMENT
3RD PARTY APPROPRIATIONS
FOR THE 2007 - 2009 BIENNIUM**

3RD PARTY APPROPRIATIONS	INSURANCE REGULATORY TRUST FUND	FIRE AND TORNADO FUND	PETROLEUM TANK FUND	INSURANCE TAX DISTRIBUTION FUND	TOTAL
ND FIREFIGHTERS ASSOCIATION		170,000		120,000	290,000
HEALTH DEPARTMENT - EMS OPERATIONS				1,250,000	1,250,000
HEALTH DEPARTMENT - EPA MATCHING FUNDS (1)			NA		-
ATTORNEY GENERAL - FIRE MARSHALLS OFFICE		310,000	35,000		345,000
ATTORNEY GENERAL - FORENSIC MEDICAL EXAMS	500,000				500,000
LEGISLATIVE ASSEMBLY - NCOIL	70,000				70,000
FIRE DISTRICTS				6,200,000	6,200,000
Total Appropriations	570,000	480,000	35,000	7,570,000	8,655,000
Expenditures as of December 31, 2008					
ND FIREFIGHTERS ASSOCIATION		170,000		120,000	290,000
HEALTH DEPARTMENT - EMS OPERATIONS				691,914	691,914
HEALTH DEPARTMENT - EPA MATCHING FUNDS (1)			7,144		7,144
ATTORNEY GENERAL - FIRE MARSHALLS OFFICE		48,928	8,731		57,659
ATTORNEY GENERAL - FORESIC MEDICAL EXAMS	115,100				115,100
LEGISLATIVE ASSEMBLY - NCOIL	44,542				44,542
FIRE DISTRICTS				6,200,000	6,200,000
Total Expenditures	159,642	218,928	15,875	7,011,914	7,406,359
Remaining Appropriations	\$ 410,358	\$ 261,072	\$ 19,125	\$ 558,086	\$ 1,248,641
Estimated fund balance at June 30, 2008	\$ 1,000,000.00	\$ 17,957,408.00	\$ 5,500,000.00	\$ -	\$ 24,457,408.00

(See attached fund balance reports)

(1) 23-37-28 provides for a 10% matching grant for federal leaking underground storage tank funds to be paid out if the Petroleum Release Comp Tank fund has sufficient monies available. These funds are mainly used to clean up abandoned tanks with no registered owners. These matching grants are non-appropriated.

**ND INSURANCE DEPARTMENT
UNSATISFIED JUDGMENT FUND BALANCE HISTORY
FOR THE FISCAL YEAR ENDING JUNE 30TH**

<u>YEAR</u>	<u>RESERVE BALANCE</u>	<u>MINIMUM REQUIREMENT</u>	<u>VARIANCE FAV(UNFAV)</u>
2009 (EST)	\$ 212,000	\$ 150,000	\$ 62,000
2008	\$ 212,233	\$ 150,000	\$ 62,233
2007	\$ 212,817	\$ 150,000	\$ 62,817
2006	\$ 228,706	\$ 150,000	\$ 78,706
2005	\$ 248,403	\$ 150,000	\$ 98,403
2004	\$ 250,493	\$ 150,000	\$ 100,493
2003	\$ 250,185	\$ 150,000	\$ 100,185
2002	\$ 266,171	\$ 150,000	\$ 116,171
2001	\$ 278,211	\$ 150,000	\$ 128,211
2000	\$ 307,098	\$ 150,000	\$ 157,098
1999	\$ 319,463	\$ 300,000	\$ 19,463
1999	\$ 319,463	\$ 300,000	\$ 19,463
1998	\$ 329,642	\$ 300,000	\$ 29,642
1997	\$ 330,693	\$ 300,000	\$ 30,693
1996	\$ 334,198	\$ 300,000	\$ 34,198

The Unsatisfied Judgment fund was created to protect residents of North Dakota against the financial hardships associated with bodily injury caused by irresponsible, uninsured, judgment-proof drivers.

A North Dakota resident who recovers in court a judgment exceeding \$300 for bodily injury incurred as a result of the operation or use of a motor vehicle may apply to a judge for an order to direct payment from the Unsatisfied Judgment fund. Recovery from the fund is limited to payment of \$10,000 for bodily injury of one person in any one accident or \$20,000 for bodily injury of two or more persons in any one accident.

On June 1 of any year, if the the uncommitted balance of the fund has fallen below \$150,000, the motor vehicle registration fee is increased by \$1. This extra \$1 is suspended if on the next June 1 the uncommitted balance is above \$150,000 and continued if under \$150,000.

**ND INSURANCE DEPARTMENT
STATE BONDING FUND BALANCE HISTORY
FOR THE FISCAL YEAR ENDING JUNE 30TH**

<u>YEAR</u>	<u>RESERVE BALANCE</u>	<u>MINIMUM REQUIREMENT</u>	<u>VARIANCE FAV(UNFAV)</u>
2009 (EST)	\$ 1,900,000	\$ 2,000,000	\$ (100,000)
2008	\$ 2,511,902	\$ 2,000,000	\$ 511,902
2007	\$ 2,302,806	\$ 2,000,000	\$ 302,806
2006	\$ 2,693,009	\$ 2,000,000	\$ 693,009
2005	\$ 2,599,756	\$ 2,000,000	\$ 599,756
2004	\$ 3,752,803	\$ 2,000,000	\$ 1,752,803
2003	\$ 5,134,541	\$ 2,500,000	\$ 2,634,541
2002	\$ 4,801,704	\$ 2,500,000	\$ 2,301,704
2001	\$ 4,903,455	\$ 2,500,000	\$ 2,403,455
2000	\$ 4,926,544	\$ 2,500,000	\$ 2,426,544
1999	\$ 4,589,688	\$ 2,500,000	\$ 2,089,688
1998	\$ 4,388,079	\$ 2,500,000	\$ 1,888,079
1997	\$ 3,976,761	\$ 2,500,000	\$ 1,476,761
1996	\$ 3,777,630	\$ 2,500,000	\$ 1,277,630

The State Bonding fund provides fidelity bond coverage to the State of North Dakota and its political subdivisions, including counties, townships, cities, park districts, and school districts. The bond issued by the fund is a fidelity blanket bond, which covers public officials and employees for theft of money and property by public officials and employees.

The State Bonding fund serves 2,956 bondholders with a combined insured value of approximately \$527 million. Established by the legislature in 1919, no premium has been charged for this coverage since 1953. Collection of premiums resumes if the fund reserve is depleted below \$2 million and continues until the reserve reaches \$3 million.

Currently, the fund has 4 open claims (see page 15) totaling \$141,000. Since 1999 the fund has received 57 claims and is attempting collection on 24 judgments, with a balance owed to the fund of \$1,379,140. An amount is paid to the bond holder by the fund after an audit has been done and the amount is determined by the court. The fund continues to renew judgments and make collection attempts from the debtor. The Insurance Department is seeking authority to collect amounts owed to the fund by off setting income tax refunds in HB1199.

**ND INSURANCE DEPARTMENT
FIRE AND TORNADO FUND BALANCE HISTORY
FOR THE FISCAL YEAR ENDING JUNE 30TH**

<u>YEAR</u>	<u>RESERVE BALANCE</u>	<u>MINIMUM REQUIREMENT</u>	<u>VARIANCE FAV(UNFAV)</u>
2009 (EST)	\$ 17,957,408	\$ 12,000,000	\$ 5,957,408
2008	\$ 24,518,808	\$ 12,000,000	\$ 12,518,808
2007	\$ 28,222,236	\$ 12,000,000	\$ 16,222,236
2006	\$ 24,527,036	\$ 12,000,000	\$ 12,527,036
2005	\$ 22,820,012	\$ 12,000,000	\$ 10,820,012
2004	\$ 19,644,477	\$ 12,000,000	\$ 7,644,477
2003	\$ 16,263,796	\$ 12,000,000	\$ 4,263,796
2002	\$ 13,194,871	\$ 12,000,000	\$ 1,194,871
2001	\$ 16,688,094	\$ 12,000,000	\$ 4,688,094
2000	\$ 15,872,380	\$ 12,000,000	\$ 3,872,380
1999	\$ 16,558,658	\$ 12,000,000	\$ 4,558,658
1998	\$ 15,268,582	\$ 12,000,000	\$ 3,268,582
1997	\$ 14,774,443	\$ 12,000,000	\$ 2,774,443
1996	\$ 16,168,473	\$ 12,000,000	\$ 4,168,473

Since 1919, the State Fire and Tornado fund has provided affordable building and business personal property insurance coverage to state entities and political subdivisions of the State. The State Fire and Tornado fund insures 8,912 public buildings throughout the state with a combined insured value of \$8.6 billion.

In the event the reserve falls below \$12 million, assessments will be computed and collected. The assessments may not exceed 60 percent of the rates set by the Insurance Services Office for insured property unless the reserve balance is depleted below \$3 million.

**ND INSURANCE DEPARTMENT
PETROLEUM TANK RELEASE COMP FUND BALANCE HISTORY
FOR THE FISCAL YEAR ENDING JUNE 30TH**

<u>DATE</u>	<u>RESERVE BALANCE</u>	<u>MINIMUM REQUIREMENT</u>	<u>VARIANCE FAV(UNFAV)</u>
2009 (EST)	\$ 5,500,000	\$ 6,000,000	\$ (500,000)
2008	\$ 6,612,382	\$ 6,000,000	\$ 612,382
2007	\$ 8,855,173	\$ 6,000,000	\$ 2,855,173
2006	\$ 9,274,059	\$ 6,000,000	\$ 3,274,059
2005	\$ 9,223,555	\$ 6,000,000	\$ 3,223,555
2004	\$ 8,944,036	\$ 6,000,000	\$ 2,944,036
2003	\$ 8,541,649	\$ 6,000,000	\$ 2,541,649
2002	\$ 8,261,490	\$ 6,000,000	\$ 2,261,490
2001	\$ 8,650,093	\$ 5,000,000	\$ 3,650,093
2000	\$ 8,700,726	\$ 5,000,000	\$ 3,700,726
1999	\$ 7,970,878	\$ 5,000,000	\$ 2,970,878
1998	\$ 6,934,014	\$ 5,000,000	\$ 1,934,014
1997	\$ 5,897,437	\$ 5,000,000	\$ 897,437
1996	\$ 5,090,906	\$ 5,000,000	\$ 90,906

The North Dakota Petroleum Tank Release Compensation fund was established by the 1989 North Dakota State Legislature to financially assist tank owners for cleanup costs and third-party liability caused by petroleum contamination.

If a petroleum release occurs or petroleum contamination is discovered, an eligible tank owner is reimbursed 90 percent of necessary and reasonable costs between \$5,000 and \$155,000 for cleanup of contamination or third-party liability. The fund reimburses 100 percent of costs between \$155,000 and \$1,000,000.

All owners or operators of above ground or underground petroleum storage tanks in North Dakota are required to register their tanks with the fund and pay an annual registration fee for each aboveground or underground tank. Currently 1,648 tank owners pay a \$50 registration fee for each of 4,771 tanks.

The fund is required to maintain a minimum reserve balance of \$6,000,000. If on the first day of July in any year the amount of money in the fund is less than \$6,000,000, the annual registration fee of \$50 will be increased to \$100. Annual registration fees must be reduced to \$5 dollars if on July 1 of any one year the amount of money in the fund exceeds \$9,000,000.

23-37-28 provides for a 10% matching grant for federal leaking underground storage tank funds to be paid out if the Petroleum Release Comp Tank fund has sufficient monies available. These funds are mainly used to clean up abandoned tanks with no registered owners. These matching grants are non-appropriated.

**ND INSURANCE DEPARTMENT
INSURANCE REGULATORY TRUST FUND BALANCE HISTORY
FOR THE FISCAL YEAR ENDING JUNE 30TH**

<u>YEAR</u>	<u>FISCAL YEAR-END BAL</u>	<u>REQUIRED BALANCE</u>	<u>TRANSFERRED TO GENERAL FUND</u>
2008	\$ 4,894,821	\$ 1,000,000	\$ 3,894,821
2007	\$ 4,455,194	\$ 1,000,000	\$ 3,455,194
2006	\$ 3,511,459	\$ 1,000,000	\$ 2,511,459
2005	\$ 2,865,901	\$ 1,000,000	\$ 1,865,901
2004	\$ 2,766,822	\$ 1,000,000	\$ 1,766,822
2003	\$ 2,793,188	\$ 1,000,000	\$ 1,793,188
2002	\$ 2,268,323	\$ 1,000,000	\$ 1,268,323
2001	\$ 2,362,920	\$ 1,000,000	\$ 1,362,920
2000	\$ 2,808,757	\$ 1,000,000	\$ 1,808,757
1999	\$ 2,532,846	\$ 1,500,000	\$ 1,032,846
1998	\$ 2,461,898	\$ 1,500,000	\$ 961,898
1997	\$ 2,915,848	\$ 1,500,000	\$ 1,415,848
1996	\$ 1,950,645	\$ 1,500,000	\$ 450,645

The Insurance Regulatory Trust fund is funded by fees, penalties and fines collected by the Insurance Commissioner. The fund is used to defray administrative and regulatory expenses of the Insurance Department as appropriated by the legislature.

26.1-01-07.1 requires, after all fiscal year expenses have been paid, any cash balance remaining in the insurance regulatory trust fund that exceeds one million dollars be transferred to the general fund.

**ND INSURANCE DEPARTMENT
APPROPRIATION BILLS AFFECTING FUNDS ADMINISTERED BY THE DEPARTMENT
FOR THE 2009 - 2011 BIENNium**

BILL	SPONSORING AGENCY	UNSATISFIED JUDGMENT FUND - 209	STATE BONDING FUND - 210	FIRE & TORNADO FUND - 211	PETROLEUM REL. COMP. FUND - 233	REGULATORY TRUST FUND - 239	TAX DISTRIBUTION FUND - 240	FIREFIGHTER DEATH BENEFIT FUND - 249	GENERAL FUND - 001	SHIC FEDERAL FUNDING	TOTAL
HB 1010	INSURANCE DEPARTMENT	24,087	41,518	1,624,159	96,238	6,598,811	6,820,000 (1)	-	-	656,193	15,861,006
HB 1160	INSURANCE DEPARTMENT (2)	-	-	20,280	-	-	-	-	1,138,718	3,120	1,162,118
SB 2049	HEALTH DEPARTMENT	-	-	-	-	-	4,524,000 (3)	-	-	-	4,524,000
HB 1003	ATTORNEY GENERAL	-	-	310,000	35,000	250,000	-	-	-	-	595,000
SB 2001	LEGISLATIVE ASSEMBLY	-	-	-	-	70,000	-	-	-	-	70,000
TOTAL		<u>\$ 24,087</u>	<u>\$ 41,518</u>	<u>\$ 1,954,439</u>	<u>\$ 131,238</u>	<u>\$ 6,918,811</u>	<u>\$ 11,344,000</u>	<u>\$ -</u>	<u>\$1,138,718</u>	<u>\$659,313</u>	<u>\$22,212,124</u>
Estimated fund balance at June 30, 2009		<u>\$ 212,000</u>	<u>\$1,900,000</u>	<u>\$17,957,408</u>	<u>\$ 5,500,000</u>	<u>\$ 1,000,000</u>	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$26,619,408</u>

Unless otherwise noted below, the above amounts are for continuing programs.

(1) Includes a \$500,000 increase to the North Dakota Firefighters Association recommended by the executive budget.

(2) This bill brings regulatory oversight of ND Workforce Insurance and Safety under the authority of the Insurance Commissioner.

(3) Includes a \$2,000,000 increase for an existing program and \$1,274,000 requested for new initiatives by the Health Department.

**ND INSURANCE DEPARTMENT
REVENUE SOURCES BY FUND
FOR THE 2003 - 2005, 2005 - 2007, 2007 - 2009 AND ESTIMATES FOR 2009 - 2011 BIENNIUM'S**

	UNSATISFIED JUDGMENT FUND - 209				STATE BONDING FUND - 210			
				ESTIMATED				ESTIMATED
	2003 - 2005	2005 - 2007	2007 - 2009	2009-2011	2003 - 2005	2005 - 2007	2007 - 2009	2009-2011
LICENSES & FEES								
FINES & PENALTIES								
FIRE & TORNADO PREMIUMS & RECOVERY								
PETROLEUM TANK RELEASE COMP FUND MEMBERSHIP								
FEDERAL GRANTS - SHIC PROGRAM								
STATE BONDING FUND RECOVERY								
UNSATISFIED JUDGMENT FUND RECOVERY	21,397	17,533	7,223	10,000	75,977	55,623	85,040	85,000
PREMIUM TAX								
MISCELLANEOUS								
	\$ 21,397	\$ 17,533	\$ 7,223	\$ 10,000	\$ 75,977	\$ 55,623	\$ 85,040	\$ 85,000

NOTE

The amounts for the 2007 - 2009 biennium are actual revenue as of December 31, 2008.

The above amounts do not include investment revenue and losses.

**ND INSURANCE DEPARTMENT
REVENUE SOURCES BY FUND
FOR THE 2003 - 2005, 2005 - 2007, 2007 - 2009 AND ESTIMATES FOR 2009 - 2011 BIENNIUM'S**

	FIRE & TORNADO FUND - 211				PETROLEUM REL. COMP. FUND - 233			
	2003 - 2005	2005 - 2007	2007 - 2009	ESTIMATED 2009-2011	2003 - 2005	2005 - 2007	2007 - 2009	ESTIMATED 2009-2011
LICENSES & FEES	359,593	360,279	250,125	350,000				
FINES & PENALTIES								
FIRE & TORNADO PREMIUMS & RECOVERY	8,398,044	8,764,521	13,489,953	9,075,000				
PETROLEUM TANK RELEASE COMP FUND MEMBERSHIP					581,988	587,945	578,543	580,000
FEDERAL GRANTS - SHIC PROGRAM								
STATE BONDING FUND RECOVERY								
UNSATISFIED JUDGMENT FUND RECOVERY								
PREMIUM TAX								
MISCELLANEOUS	1,577	1,051	-	-	225	-	617	-
	\$8,759,214	\$9,125,851	\$13,740,078	\$9,425,000	\$ 582,213	\$ 587,945	\$ 579,160	\$ 580,000

NOTE

The amounts for the 2007 - 2009 biennium are actual revenue as of December 31, 2008.

The above amounts do not include investment revenue and losses.

**ND INSURANCE DEPARTMENT
REVENUE SOURCES BY FUND
FOR THE 2003 - 2005, 2005 - 2007, 2007 - 2009 AND ESTIMATES FOR 2009 - 2011 BIENNIUM'S**

LICENSES & FEES
FINES & PENALTIES
FIRE & TORNADO PREMIUMS & RECOVERY
PETROLEUM TANK RELEASE COMP FUND MEMBERSHIP
FEDERAL GRANTS - SHIC PROGRAM
STATE BONDING FUND RECOVERY
UNSATISFIED JUDGMENT FUND RECOVERY
PREMIUM TAX
MISCELLANEOUS

REGULATORY TRUST FUND - 239				TAX DISTRIBUTION FUND - 240			
2003 - 2005	2005 - 2007	2007 - 2009	ESTIMATED 2009-2011	2003 - 2005	2005 - 2007	2007 - 2009	ESTIMATED 2009-2011
7,974,999	9,663,055	7,883,923	8,000,000				
34,931	829,590	30,174	-				
8,319	13,787	9,913	-	5,304,000	6,420,000	7,570,000	11,594,000
\$8,018,249	\$10,506,432	\$7,924,010	\$8,000,000	\$5,304,000	\$6,420,000	\$7,570,000	\$11,594,000

NOTE

The amounts for the 2007 - 2009 biennium are actual revenue as of December 31, 2008.

The above amounts do not include investment revenue and losses.

**ND INSURANCE DEPARTMENT
REVENUE SOURCES BY FUND
FOR THE 2003 - 2005, 2005 - 2007, 2007 - 2009 AND ESTIMATES FOR 2009 - 2011 BIENNIUM'S**

LICENSES & FEES
FINES & PENALTIES
FIRE & TORNADO PREMIUMS & RECOVERY
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STATE BONDING FUND RECOVERY
UNSATISFIED JUDGMENT FUND RECOVERY
PREMIUM TAX
MISCELLANEOUS

FIREFIGHTER DEATH BENEFIT FUND - 249				GENERAL FUND - 001			
			ESTIMATED				ESTIMATED
2003 - 2005	2005 - 2007	2007 - 2009	2009-2011	2003 - 2005	2005 - 2007	2007 - 2009	2009-2011
-	-	50,000	50,000	57,227,269	53,194,501	46,374,579	50,556,000
\$ -	\$ -	\$ 50,000	\$ 50,000	\$57,227,269	\$53,194,501	\$46,374,579	\$50,556,000

NOTE

The amounts for the 2007 - 2009 biennium are actual revenue as of December 31, 2008.

The above amounts do not include investment revenue and losses.

**ND INSURANCE DEPARTMENT
REVENUE SOURCES BY FUND
FOR THE 2003 - 2005, 2005 - 2007, 2007 - 2009 AND ESTIMATES FOR 2009 - 2011 BIENNIUM'S**

LICENSES & FEES
FINES & PENALTIES
FIRE & TORNADO PREMIUMS & RECOVERY
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FEDERAL GRANTS - SHIC PROGRAM
STATE BONDING FUND RECOVERY
UNSATISFIED JUDGMENT FUND RECOVERY
PREMIUM TAX
MISCELLANEOUS

SHIC FEDERAL FUNDING				TOTAL REVENUE			
ESTIMATED				ESTIMATED			
2003 - 2005	2005 - 2007	2007 - 2009	2009-2011	2003 - 2005	2005 - 2007	2007 - 2009	2009-2011
				8,334,592	10,023,334	8,134,048	8,350,000
				34,931	829,590	30,174	-
				8,398,044	8,764,521	13,489,953	9,075,000
				581,988	587,945	578,543	580,000
394,200	392,550	369,750	656,193	394,200	392,550	369,750	656,193
				75,977	55,623	85,040	85,000
				21,397	17,533	7,223	10,000
				62,531,269	59,614,501	53,994,579	62,200,000
1,063	1,703	30	-	11,184	16,541	10,560	-
\$ 395,263	\$ 394,253	\$ 369,780	\$ 656,193	\$80,383,582	\$80,302,138	\$76,699,870	\$80,956,193

NOTE

The amounts for the 2007 - 2009 biennium are actual revenue as of December 31, 2008.

The above amounts do not include investment revenue and losses.

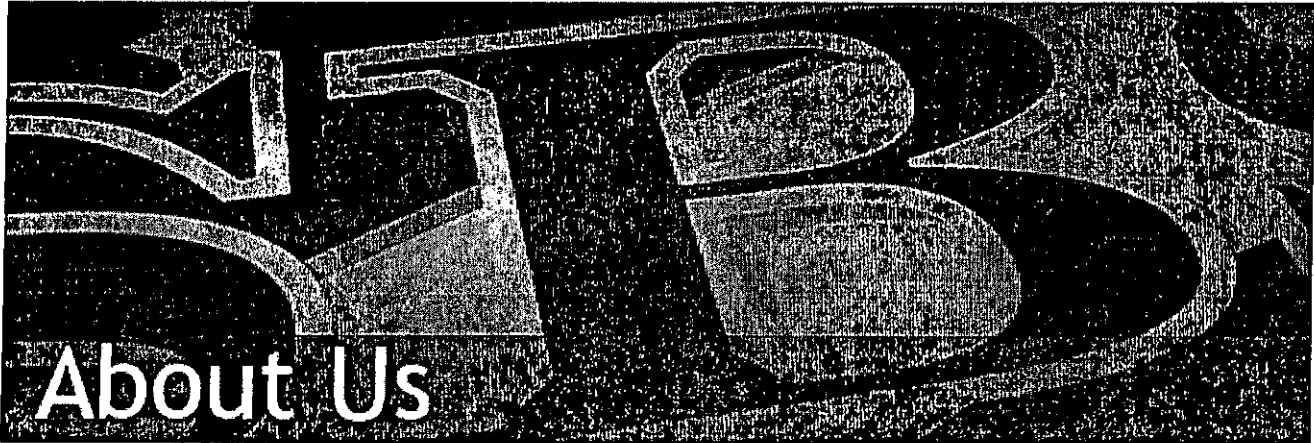
State Bonding Fund Claims 1999-2009

Bond #	Obligee	Claim #	Orig Claim	Date Rcvd	Status	Entity Type
2892	City of Sibley	31	\$1,500.00	11/12/99	Subrogation	City
1199	Mandan Park District	36	\$15,000.00	12/06/99	Close	City
1616	City of Glenburn	37	\$3,303.60	02/22/00	Close	City
1497	Stark County	38	\$5,000.00	05/25/00	Close	County
2911	Barnes County Water Resources	39	\$16,000.00	08/16/00	Subrogation	County
3461	City of Selfridge	40	\$15,219.37	10/27/00	Close	City
2275	Dunseith School District	41	\$4,626.02	04/24/01	Close	School District
2570	Richland County Soil Conservation District	42	\$2,320.44	05/25/01	Close	County
1367	North Dakota State Fair	43	\$6,451.21	09/24/01	Close	State
3816	Sargent County	44	\$687.26	11/20/01	Close	County
2560	Billings County Game & Fish Vendor	45	\$684.00	02/07/02	Close	County Game & Fish
1213	Williams County Game & Fish Vendor	46	\$1,649.00	02/14/02	Close	County Game & Fish
2796	City of Cando	47	\$12,381.00	03/11/02	Close	City
1728	City of Mapleton	48	\$764.62	04/11/02	Close	City
2537	Fargo Park District	49	\$226,000.00	04/25/02	Subrogation	City
1791	City of Devils Lake	50	\$6,550.00	05/14/02	Close	City
2568	Sherwood Public School	51	\$34,368.31	10/16/02	Close	School District
2062	City of Mandan	52	\$48,092.00	11/13/02	Subrogation	City
2583	State Game & Fish Department	53	\$1,730.00	11/15/02	Close	State
3661	City of Max	54	\$67,279.47	01/28/03	Close	City
1357	City of Dwight	55	\$7,500.00	01/29/03	Close	City
1569	Emergency Management	56	\$4,367.03	02/18/03	Close	State
2619	Ward County	57	\$5,000.00	04/23/03	Close	County
1404	North Dakota State University	58	\$2,000.00	07/21/03	Close	State
22	Max School District #50	59	\$67,279.47	01/28/03	Close	School District
17	Dunn County Soil Conservation District	60	\$2,630.47	11/19/03	Close	County
1954	Milnor Public School District #2	61	\$10,000.00	01/13/04	Close	School District
1447	Midkota School District #7	62	\$46,947.40	02/09/04	Subrogation	School District
2326	City of McHenry	63	\$47,956.70	01/15/04	Subrogation	City
1790	Bismarck Public School District #1	64	\$3,967.56	03/31/04	Close	School District
3675	Mt. Pleasant School District #4	65	\$13,515.57	04/23/04	Close	School District
2702	Gladstone Consolidated Fire District	66	\$10,000.00	07/14/04	Close	Fire District
1518	New England School District #9	67	\$25,000.00	11/02/04	Close	School District
1528	Sheyenne Valley Area Career Technology	68	\$3,444.54	12/03/04	Close	School District
2238	City of Lamoure	69	\$10,000.00	12/15/04	Subrogation	City
2179	Williams County Social Services	70	\$10,000.00	01/03/05	Close	County
2592	Benson County Housing Authority	71	\$80,000.00	01/20/05	Denied	County
3033	Renville County Game & Fish Vendor	72	\$413.00	02/09/05	Close	County Game & Fish
3317	City of Cogswell	73	\$27,240.00	02/15/05	Subrogation	City
2582	City of DesLacs	74	\$1,500.00	02/17/05	Close	City
2581	R & T Water Supply Association	75	\$273,964.63	08/18/05	Subrogation	City
2702	City of Ray	76	\$307,919.20	08/18/05	Close	City
2843	New England School District #9	77	\$4,000.00	09/29/05	Close	School District
3972	Red River Valley Fair Association	78	\$249,049.20	01/23/06	Close	County
1478	Walsh County	79	\$15,000.00	03/07/06	Withdrawn	County
1631	Wishek Public School District #19	80	\$63,447.00	04/17/06	Subrogation	School District
2628	City of Kenmare	81	\$20,000.00	06/29/06	Close	City
1400	City of Karlsruhe	82	\$5,079.36	08/01/06	Subrogation	City
3462	Steele County Water Resource	83	\$45,000.00	08/25/06	Close	County
3713	City of Carrington	84	\$1.00	10/31/06	Close	City
156	Minot Commission on Aging	85	\$78,000.00	12/15/06	Open	City
1610	City of Tioga	86	\$525.00	03/21/07	Close	City
1546	Job Service of North Dakota	87	\$12,000.00	11/01/07	Subrogation	State
1564	Office of the Attorney General	88	\$1.00	07/18/08	Close	State
1404	City of Tioga	89	\$10,000.00	10/10/08	Open	City
3679	Max School District #50	90	\$48,000.00	10/15/08	Open	School District
	New Public School District #8	91	\$5,000.00	12/12/08	Open	School District

***Closed indicates the restitution was paid or the judgment was never pursued.



State Based Systems

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State Based Systems (SBS) is an electronic system developed by the National Association of Insurance Commissioners (NAIC) in partnership with state insurance departments. The purpose of the SBS initiative is to provide a comprehensive, Web-based application for use by state regulators in support of all insurance regulatory functions. Our goal for SBS is to enable your state insurance department to more efficiently and effectively process license applications, renewals, inquiries, complaints, enforcement actions, etc. with a minimum of effort and remain compliant with national uniformity initiatives.

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Information about NAIC Executives and SBS
Marketing Staff





ILLINOIS AND NORTH DAKOTA CHOOSE STATE BASED SYSTEMS

GRAPEVINE, Texas (Dec. 6, 2008) — The National Association of Insurance Commissioners (NAIC) announced today that two state departments — the Illinois Division of Insurance within the Department of Financial and Professional Regulation and the North Dakota Insurance Department — have chosen State Based Systems (SBS) as their regulatory system of choice.

“We believe that technology is the most important tool for improving our ability to rapidly respond to an ever-expanding customer base, while also contending with limited resources,” said North Dakota Insurance Commissioner Adam Hamm. “SBS, along with its full integration with key NAIC and NIPR initiatives, allows us to dramatically improve our online toolset, while minimizing our costs.”

“Achieving regulatory uniformity with other insurance departments is a key priority for our division,” said Illinois Insurance Director Michael McRaith. “SBS offers the unique opportunity to compare our processes and procedures with those of other SBS states simply by implementing the system. The decision to move to SBS illustrates our commitment to participating in uniformity initiatives and streamlining regulatory compliance processes for our producers and insurers.”

“We are pleased to add Illinois and North Dakota to the family of SBS states,” said NAIC President and Kansas Insurance Commissioner Sandy Praeger. “SBS is a key initiative for state-based insurance regulation. And, as an NAIC product, it is uniquely positioned to continue to grow and improve over time based on its sole focus of meeting the needs of our members.”

In addition to Illinois and North Dakota, SBS is the solution of choice in Alabama, Delaware, Florida, Iowa, Kansas, Missouri, New Hampshire, New Jersey, North Carolina, Puerto Rico, Rhode Island, Tennessee and Washington, D.C.

For more information about SBS, visit www.statebasedsystems.com.



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About the NAIC

Formed in 1871, the National Association of Insurance Commissioners

(NAIC) is a voluntary organization of the chief insurance regulatory officials of the 50 states, the District of Columbia and five U.S. territories. The NAIC has three offices: Executive Office, Washington, D.C.; Central Office, Kansas City, Mo.; and Securities Valuation Office, New York City.

The NAIC serves the needs of consumers and the industry, with an overriding objective of supporting state insurance regulators as they protect consumers and maintain the financial stability of the insurance marketplace. For more information, visit www.naic.org.

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North Dakota Insurance Department Retirement / Rule of 85 Report

Presented to: House Appropriations, Government Operations Sub-Committee,
Representative Delzer, Chair

Date: January 26, 2009

In the 2007-2009 biennium, three (3) employees have retired to date. The Department has 46.5 FTEs.

Age

Currently the North Dakota Insurance Department has eight (8) employees age 60 or more. Ten (10) more are between the ages of 55 and 60.

Rule of 85

Two (2) employees currently meet the Rule of 85. One (1) more will meet the Rule of 85 in the 09-11 biennium.

Expected Retirement Dates

The Department has been advised to NOT ask employees for retirement dates. If an employee mentions the potential for retirement in the future, we then request that the employee inform us of the date as soon as they know.

Given the current economy, many of them are more unsure of retirement than in the past. We estimate as many as four (4) employees may retire in the next biennium.

Insurance, Securities, Department of Financial Institutions Consolidation Information

Presented to: House Appropriations, Government Operations Sub-Committee, Representative
Delzer, Chair

Date: January 26, 2009

National Comparison

North Dakota is one of 13 states that have a separate insurance department primarily focused on consumer insurance issues and the insurance industry. 8 of the 13 are in states that have elected insurance commissioners or directors. There are 11 elected insurance commissioners in the nation.

38 states have placed the division of insurance within another department or office, such as the Governor's office, department of corporate regulation or consumer affairs. These are typically cabinet level agencies.

Of the states (7) where insurance is not the only regulated product within the insurance division, the following may also comprise the regulatory responsibility:

- Securities
- Banking, credit unions, mortgage lenders
- Fire marshal
- Land board
- State auditor
- Real estate

In states where the insurance division is within another department, the departments may have oversight over:

- Public utilities
- Economic development
- Tax and revenue
- Securities
- Banking, credit unions, mortgage lenders
- Fire safety
- Professional regulation
- Horse racing
- Employment, labor relations
- Real estate
- Treasury
- Corporation registration

Past Sessions

In the 2003 session, HB 1413 attempted to create a Department of Finance Services under the Insurance Commissioner. The new department would have combined the Securities Department, the Department of Financial Institutions and the Insurance Department.

The bill had a fiscal note attached that indicated there would likely be upfront transitional costs, but that the overall projections of cost savings would be difficult to predict.

The bill came out of committee with a “do not pass” recommendation and failed on the House floor.

North Dakota

The North Dakota Insurance Department works with the North Dakota Securities Department, but only on investigations. If an insurance agent is also registered to sell securities and there is a potential problem, the agency that is alerted to the problem will notify the other and we may send staff in together on an investigation or interview.

The Insurance Department works much less with the Department of Financial Institutions. In the past, one agency or the other might ask for information or discuss various laws or regulations that impact their regulated entities.

Two of these Departments are run by cabinet level officials and only one, the Insurance Department, is run by a constitutionally required elected official.

While all of the Departments focus on consumer protection and healthy marketplaces, each has its own specific set of rules and regulations and very skilled and specifically trained staff. For example, the insurance industry is very much regulated at the state level; has a unique set of accounting and corporate governance standards for the companies it regulates and has authority over companies and agents.

The securities business is much more federally regulated. Only agents and dealers are registered at the state level. The Department of Financial Institutions examines and has authority over state-chartered banks.

January 2009

STATE BONDING FUND - HISTORY OF USES - PREMIUMS

The table below provides the estimated available funds and fund uses of the state bonding fund based on projections and appropriations made by each Legislative Assembly since the 1991-93 biennium:

	2009-11 ¹	2007-09 ²	2005-07	2003-05	2001-03	1999-2001	1997-99	1995-97	1993-95	1991-93
Estimated available funds	\$2,417,551	\$2,244,813	\$2,960,056	\$5,756,541	\$4,904,455	\$5,046,988	\$5,851,741	\$4,858,418	\$6,848,872	\$6,385,520
Expenditures and transfers:										
Insurance Department administration	41,518	44,262	35,000	35,000	25,000	67,431	81,743	92,312	90,769	15,780
Bonding fund claims losses	125,000	100,000 ³	375,000	400,000	35,000	325,000	583,000	450,000	762,592	80,000
Claims-related expenditures	15,000	10,000	19,000	19,000	25,000	15,000				
State employee defense (Attorney General)								150,000	136,500	150,000
Investment expense	10,000	30,000								
Transfer to general fund				2,800,000 ⁴					2,500,000 ⁵	
Total expenditures and transfers	\$191,518	\$184,262	\$429,000	\$3,254,000	\$85,000	\$407,431	\$664,743	\$692,312	\$3,489,861	\$245,780
Estimated remaining balance	\$2,226,033 ³	\$2,060,551 ³	\$2,531,056	\$2,502,541	\$4,819,455	\$4,639,557	\$5,186,998	\$4,166,106	\$3,359,011	\$6,139,740

¹Estimated amounts based on the 2009 executive budget recommendation.

²Revised forecast included in the 2009 executive budget recommendation.

³The Insurance Department estimates a December 31, 2008, fund balance of \$1,929,004. This amount reflects an estimated reserve for loss claims payable of \$230,000, which is approximately \$130,000 more than included in the December 2008 executive budget forecast. The Insurance Department increased their loss claims payable estimate due to a recent increase in the number of claims filed against the state.

⁴Section 8 of 2003 Senate Bill No. 2015 - Office of Management and Budget appropriation bill.

⁵Section 11 of 1993 House Bill No. 1005 - Office of Management and Budget appropriation bill.

BONDING FUND PREMIUMS

North Dakota Century Code Section 26.1-21-09 provides that premiums charged for the state bonding fund must be waived until the fund has been depleted below the sum of two million dollars. The section originally placed a lower limit of \$2.5 million on the fund but was changed to \$2 million in 2003 Senate Bill No. 2015. The section further provides that premiums must be charged until the fund reaches a total of \$3 million dollars. The upper bond limit of three million dollars has been in place since the section was enacted by 1983 Senate Bill No. 2231.

Bonding Fund Status Statement

	2005-07 Actual ¹	2007-09 Legislative Forecast	Revised Forecast	2009-11 Executive Forecast
Beginning Balance	\$2,395,596	\$2,531,056 ¹¹	\$2,302,806	\$2,060,551
Revenue:				
Premiums	\$0	\$0 ¹²	\$0	\$0
Investment revenue	518,821	325,000 ¹³	(150,000)	300,000
Claims restitution	53,783	45,000 ¹⁴	85,000	50,000
Game & Fish revenue	7,070	6,000 ¹⁵	6,000	6,000
Miscellaneous	283		1,007	1,000
Total Revenues	\$579,957	\$376,000	(\$57,993)	\$357,000
Expenditures:				
Loss claim payments	(\$564,253)	(\$100,000) ¹⁶	(\$100,000)	(\$125,000)
Claims payments	(19,725)	(20,000) ¹⁷	(10,000)	(15,000)
Investment expense	(57,544)		(30,000) ¹⁸	(10,000)
Appropriated-fund administration	(31,175)	(44,131) ¹⁹	(44,262)	(41,518)
Total Expenditures	(\$672,697)	(\$164,131)	(\$184,262)	(\$191,518)
Ending Balance	\$2,302,806	\$2,742,925	\$2,060,551	\$2,226,033

- ¹¹ From June 30, 2007, comprehensive annual financial report (CAFR).
¹² There have been no premiums assessed or payments received in this fund since 1953.
¹³ Investment revenue is based on historical information and projections of future market conditions.
¹⁴ Claims restitution to the fund from individuals based on historical data.
¹⁵ Game and Fish revenue from bonding fees for businesses selling game and fish licenses based on historical data.
¹⁶ Loss claim payments based on historical data, open claims reports, and actuarial projections.
¹⁷ Claims related payments include adjusting fees and all expenditures directly related to a specific claim.
¹⁸ Investment expense is based on historical information and projections of future market conditions.
¹⁹ Amount appropriated (2007-09) or included in executive budget recommendation (2009-11).

Notes:

The bonding fund was created in 1915 and is maintained for bond coverage of public employees. The bonding fund is managed by the Insurance Commissioner. The amount of coverage provided to each state agency, department, industry, and institution is determined by the commissioner, based upon the amount of money and property handled, and the opportunity for default. North Dakota Century Code Section 26.1-21-09 provides that premiums for bond coverage are to be determined by the Insurance Commissioner but can be waived if the bonding fund balance is in excess of \$2.0 million.

FW: Fire and Tornado Fund Questions

Larson, Brady A.

Sent: Monday, March 16, 2009 9:18 AM**To:** Larson, Brady A.

From: Bitz, Jeff R.**Sent:** Friday, March 13, 2009 6:00 PM**To:** Larson, Brady A.**Subject:** RE: Fire and Tornado Fund Questions

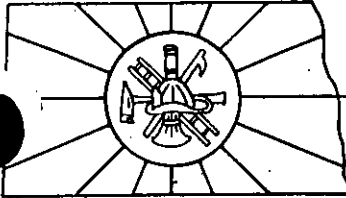
Brady,

With respect to your example below and your two questions; yes each policyholder has a deductible and yes the Fire and Tornado Fund (Fund) has reinsurance (excess coverage). The Fund has deductible options for policyholders from \$500 - \$5000 and the Funds buys reinsurance in excess of \$1 million up to \$125 million.

Let's use UND as an example: If a tornado damaged multiple buildings on UND campus, UND would have one deductible regardless of the number of buildings damaged. The Fund would cover all damage above the deductible (UND's deductible is \$5000) up to \$125 million in damages. The Fund retention is \$1 million. All damage greater then \$1 million to \$125 million would be covered or reimbursed to the Fund through the reinsurance (excess coverage).

Let me know if you need further clarification.

*Jeff R. Bitz
Program Director
State Fire and Tornado Fund
Insurance Department
State of North Dakota
701-328-9606*



Organized June 4, 1884. Incorporated January 20, 1901.

North Dakota Firefighter's Association

P.O. Box 6127 • Bismarck, ND 58506-6127

Phone: 701-222-2799

Fax: 701-222-2899

HB1010 INSURANCE DEPARTMENT BUDGET

Mr. Chairman and members of the House Appropriations Committee, my name is Lois Hartman. I am the Executive Director and State Training Director of the North Dakota Firefighter's Association. I appear before you today in support of HB1010.

Line 15 of page 1 provides for the payments to the fire departments and the budget for the North Dakota Firefighter's Association. The increase in funds of \$500,000 reflects the requested increase in the North Dakota Firefighter's Association budget. This increase is necessary because of additional training requirements to the fire departments by the federal government. In addition, the NDFA is stepping up its program in order to meet additional training requests by fire departments in the state.

The national firefighter training standard is based on the National Fire Protection Standard (NFPA)1001, Professional Qualifications Standard for Firefighters. The NDFA has been working toward developing a state training program that will meet the national standard. Unfortunately, current funding limitations and lack of staff puts the state's firefighter certification program on hold and does not allow the NDFA to deliver the level of training needed to meet the national standard. This budget request will allow us to improve the training programs and meet the standards. I have attached the Association budget summary that supports this budget request. You will see that the Association does not rely totally on the appropriation to fund fire service training but seeks outside funding sources to augment the appropriation.

In addition, FEMA administers a national competitive grant program inviting fire departments to purchase equipment, training and fire prevention materials. The program was established in 2001 before the September attacks. Since the inception of the grant program, each year a group of fire service leaders are invited back to the National Fire Academy to review the criteria and set the guidelines for the coming year. In the past two years, the application has asked if the department trains and certifies to the NFPA 1001 standard. If the answer is no, points are deducted from their score on the grant application. It becomes extremely difficult for a fire department to score high enough to be awarded a grant. This places North Dakota fire departments at a great disadvantage. In order to assist fire departments to qualify in the grant process, the NDFA must upgrade its training and certification programs. I have attached a spreadsheet listing the grants that have been awarded to North Dakota fire departments through this grant program.

In January 2008, NDFA conducted a fire department needs assessment to help guide the strategic planning process. The survey was sent to 376 fire departments. 111 fire departments returned the survey. From that response, the Association determined that the fire departments need assistance with all types of training, as well as grant searches and applications.

The resulting strategic plan allows for hiring of a full time state training director as well as maintaining the position of a full time executive director and a part time office assistant. The assistant's hours will most likely increase as the training workload shifts to a higher level. The state training director will need to pursue national third-party accreditation for the state firefighter certification system as well as coordinate the additional training needs, including advanced level of hazardous materials training. This will bring the state training program more in line with the NFPA Standards. The executive director will continue to manage the day to day operations of the office as well as to researching outside funding sources.

Mr. Chairman, as an additional resource, I would like to leave with the committee a report published by the U S Fire Administration in 2007, on the need for training in North Dakota. Due to the length of the report, I did not make a copy for each committee member, but would just like to leave it as an additional resource.

Mr. Chairman and members of the Appropriations Committee, I respectfully request a do pass to HB1010.

Summary	NDFA APPROPRIATION REQUEST	
	2009 - 2011 Biennium	
	ND Insurance Department Budget	
Revenue:		Amount:
Dues:		\$15,040
Library Fees		\$3,400
Registration Fees		\$42,000
Insurance Department Approp.	HB1010	\$790,000.00
DES: SARA Chem. Reg. Fees	HB1047	\$80,000.00
Grants:		
NFA State Deliveries	Reimbursement grant	\$56,000.00
WSI Courage to be Safe	Reimbursement grant	\$98,420.00
HMEP	Reimbursement grant	\$78,388.00
Total Revenues		\$1,163,248.00
Expenses:		
Administration: Worksheet 2		
Staffing	2.5 FTE	\$272,378.00
Operations	Office & Program Expenses	\$134,600.00
Equipment upgrades	computers/fax/copier	\$15,000.00
Training: Worksheet 3		
Regional Fire School		\$80,000.00
State Fire School		\$200,000.00
NFA Direct Deliveries		\$56,000.00
CTBS Presentations		\$98,420.00
HMEP Haz Mat Training		\$78,388.00
Hazardous Materials Training	in addition to any HMEP Training	\$186,000.00
Certification Accreditation		\$50,000.00
Total Projected Expenses		\$1,170,786.00
Notes:		
This summary assumes that the grants will remain constant for the 2009-2011 Biennium.		
The NFA State Deliver Grant is \$28,000 annually		
The WSI S.T.E.P. 2 Grant is 49,210 for the 2008-09 FY		
The HMEP Grant is \$39,194 for the current Federal FY		
If grants do not continue, the programs will be discontinued as these are dedicated funding sources.		

	North Dakota Fire Departments		
	FEMA: AFG Grant Awards		
DEPARTMENT:	Grant Program:	Grant Amount	Year:
ABERCROMBIE F/P DIST	Vehicles	\$125,400.00	2005
ADAMS RURALDEPT	Vehicles	\$158,400.00	2004
ADAMS RURALDEPT	Fire Operations & Safety	\$27,597.00	2007
ALAMO F/P DIST			0
ALEXANDER F/P DIST			0
ALICE RURAL F/P DIST			0
ALMONT RURAL F/P DIST	Fire Operations & Safety	\$29,113.00	2003
AMBROSE FIRE DEPT			0
AMIDON F/P DIST			0
ANAMOOSE F/P DIST			0
ANETA F/P DIST	Fire Operations & Safety	\$16,600.00	2003
ANETA F/P DIST	Fire Operations & Safety	\$33,174.00	2004
ANETA F/P DIST	Fire Operations & Safety	\$35,207.00	2006
ANTLER FIRE DEPT			0
ANTLER RURAL F/P DIST			0
ARENEGARD F/P DIST			0
ARGUSVILLE F/P DIST			0
ARTHUR RURAL F/P DIS	Fire Operations & Safety	\$86,489.00	2002
ARTHUR RURAL F/P DIS	Vehicles	\$171,000.00	2003
ASHLEY FIRE DEPT	Fire Operations & Safety	\$25,236.00	2003
ASHLEY RURAL FIRE D	Vehicles	\$68,580.00	2004
BARNEY FIRE DIST	Fire Operations & Safety	\$47,500.00	2007
BATHGATE FIRE DEPT			0
BEACH CENTRAL F/P			0
BEACH F.D.	Fire Operations & Safety	\$31,569.00	2002
BEACH F.D.	Vehicles	\$171,000.00	2006
BELCOURT RURAL FIRE	Vehicles	\$199,500.00	2005
BELFIELD FIRE DEPT	Fire Operations & Safety	\$58,496.00	2002
BERTHOLD FIRE DIST			0
BEULAH F/P DIST	Fire Operations & Safety	\$83,746.00	2002
BEULAH F/P DIST	Fire Operations & Safety	\$14,602.00	2003
BEULAH F/P DIST	Fire Operations & Safety	\$40,059.00	2004
BEULAH F/P DIST	Fire Operations & Safety	\$20,048.00	2005
BILLINGS COUNTY F/P	Firefighting Equipment	\$13,590.00	2001
BILLINGS COUNTY F/P	Fire Operations & Safety	\$35,370.00	2002
BILLINGS COUNTY F/P	Fire Operations & Safety	\$27,000.00	2003
BILLINGS COUNTY F/P	Fire Operations & Safety	\$14,526.00	2007
BINFORD F/P DIST	Fire Operations & Safety	\$5,130.00	2002
BINFORD F/P DIST	Fire Operations & Safety	\$23,419.00	2003
BISBEE F/P DIST			0
BISMARCK F.D.	Fire Operations & Safety	\$105,000.00	2002
BISMARCK RURAL DEPT	Fire Operations & Safety	\$62,990.00	2002
BISMARCK RURAL DEPT	Fire Operations & Safety	\$61,227.00	2003
BISMARCK RURAL DEPT	Fire Operations & Safety	\$38,329.00	2004
BISMARCK RURAL DEPT	Fire Operations & Safety	\$38,632.00	2007

BOTTINEAU FIRE DEPT	Fire Operations & Safety	\$21,600.00	2002
BOTTINEAU FIRE DEPT	Fire Operations & Safety	\$45,325.00	2007
BOTTINEAU RURAL DIST	Fire Operations & Safety	\$23,256.00	2002
BOTTINEAU RURAL DIST	Fire Operations & Safety	\$145,350.00	2006
BOWBELLS F/P DIST			0
BOWDON FIRE DEPT	Fire Operations & Safety	\$17,820.00	2004
BOWDON RURAL FIRE			0
BOWMAN FIRE DEPT	Fire Operations & Safety	\$149,084.00	2002
BOWMAN RURAL F.D.			0
BRADDOCK F/P DIST	Vehicles	\$78,300.00	2004
BROCKET/LAWTON F/P	Fire Operations & Safety	\$62,643.00	2007
BUFFALO RURAL F/P			0
BURLINGTON FIRE DEPT	Fire Operations & Safety	\$44,872.00	2002
BURLINGTON RURAL FD			0
BURLINGTON RURAL FD	Fire Operations & Safety	\$87,779.00	2003
BURLINGTON RURAL FD	Fire Operations & Safety	\$20,626.00	2007
BUTTE RURAL F/P	Fire Operations & Safety	\$148,461.00	2007
BUTTE RURAL F/P	Fire Operations & Safety	\$12,825.00	2008
BUXTON F/P DIST	Vehicles	\$128,250.00	2003
BUXTON F/P DIST	Fire Operations & Safety	\$41,373.00	2005
CALVIN RURAL F/P			0
CANDO FIRE DEPT	Fire Operations & Safety	\$34,884.00	2002
CANDO RURAL F/P DIST			0
CARPIO F/P DIST	Fire Operations & Safety	\$53,946.00	2003
CARPIO F/P DIST	Fire Operations & Safety	\$18,606.00	2006
CARRINGTON FIRE DEPT			0
CARRINGTON RURAL FD	Fire Operations & Safety	\$164,367.00	2003
CARSON F/P DIST			0
CASSELTON FIRE DEPT	Firefighter Safety	\$34,964.00	2002
CASSELTON FIRE DEPT	Vehicles	\$79,757.00	2004
CASSELTON FIRE DEPT	Fire Operations & Safety	\$104,507.00	2006
CASSELTON FIRE DEPT	Fire Operations & Safety	\$43,349.00	2007
CASSELTON FIRE DEPT	Fire Operations & Safety	\$42,865.00	2008
CASSELTON RURAL FD			0
CATHAY F/P DIST			0
CAVALIER FIRE DEPT	Fire Operations & Safety	\$36,124.00	2005
CAVALIER RURAL FD	Fire Operations & Safety	\$27,585.00	2004
CEDAR VALLEY F/P DIS			0
CHRISTINE FIRE DIST			0
CHURCHES FERRY FIRE DIST			0
CLEVELAND RURAL FIRE DEPT	Vehicles	\$72,000.00	2004
CLIFFORD RURAL F/P DIST			0
COGSWELL F/P DIST			0
COLUMBUS FIRE DEPT			0
COLUMBUS RURAL FIRE DEPT			0
COOPERSTOWN FIRE DEPT	Vehicles	\$172,577.00	2005
COOPERSTOWN FIRE DEPT	Fire Operations & Safety	\$109,013.00	2006
COOPERSTOWN RURAL FIRE			0
CONCRETE FIRE DEPT			0
COURTNEY RURAL F/P DIST			0
CROSBY FIRE DEPT			0

CROSBY RURAL FIRE DEPT			0
CRYSTAL FIRE DIST	Fire Operations & Safety	\$51,225.00	2004
DAHLEN RURAL FIRE DEPT	Fire Operations & Safety	\$13,504.00	2002
DAHLEN RURAL FIRE DEPT	Fire Operations & Safety	\$15,948.00	2003
DAVENPORT RURAL F/P DIST	Fire Operations & Safety	\$24,120.00	2004
DAVENPORT RURAL F/P DIST	Fire Operations & Safety	\$31,350.00	2005
DAWSON RURAL FIRE DEPT			0
DAZEY FIRE DEPT			0
DAZEY RURAL FIRE DIST	Fire Operations & Safety	\$89,158.00	2005
DEERING F/P DIST	Fire Operations & Safety	\$60,620.00	2003
DES LACS F/P DIST	Fire Operations & Safety	\$62,640.00	2003
DES LACS F/P DIST	Vehicles	\$219,450.00	2006
DEVILS LAKE FIRE DEPT			0
DEVILS LAKE RURAL FIRE DEPT	Fire Operations & Safety	\$84,348.00	2002
DICKINSON FIRE DEPT	Fire Operations & Safety	\$56,736.00	2005
DICKINSON RURAL FIRE DIST			0
DONNYBROOK F/P DIST			0
DOUGLAS F/P DIST	Fire Operations & Safety	\$60,264.00	2003
DRAKE FIRE DEPT	Fire Operations & Safety	\$102,576.00	2006
DRAKE F/P DIST	Vehicles	\$123,547.00	2008
DRAYTON FIRE DEPT			0
DRAYTON RURAL FIRE DEPT			0
Drayton Ambulance Service	Operations & Safety	\$23,138.00	2005
DUNSEITH FIRE DEPT	Fire Operations & Safety	\$28,007.00	2002
DUNSEITH FIRE DEPT	Vehicles	\$163,800.00	2003
DUNSEITH RURAL F/P DIST			0
DUNSEITH RURAL F/P DIST	Fire Operations & Safety	\$34,145.00	2003
DUNSEITH RURAL F/P DIST	Vehicles	\$190,950.00	2006
DUNSEITH RURAL F/P DIST	Fire Operations & Safety	\$100,931.00	2007
DWIGHT RURAL F/P DIST	Fire Operations & Safety	\$132,525.00	2003
EAST ADAMS RURAL F/P DIST			0
EDGELEY FIRE DEPT			0
EDGELEY RURAL FIRE DEPT	Fire Operations & Safety	\$30,781.00	2008
EDINBURG FIRE DIST	Fire Operations & Safety	\$44,168.00	2002
EDINBURG FIRE DIST	Fire Operations & Safety	\$52,605.00	2004
EDMORE FIRE DEPT	Fire Operations & Safety	\$98,016.00	2008
EDMORE RURAL FIRE DEPT			0
EDNA RURAL FIRE DEPT			0
EGELAND F/P DIST			0
ELGIN F/P DIST	Fire Operations & Safety	\$59,174.00	2007
ELLENDAL F/P DIST	Fire Operations & Safety	\$23,850.00	2002
ELLENDAL F/P DIST	Fire Operations & Safety	\$12,960.00	2003
ELLENDAL F/P DIST	Fire Operations & Safety	\$21,656.00	2004
EMERADO FIRE DEPT	Fire Operations & Safety	\$88,920.00	2003
EMERADO RURAL FIRE DEPT			0
Emmons County Ambulance	Operations & Safety	\$3,919.00	2006
Emmons County Ambulance	Operations & Safety	\$19,000.00	2008
ENDERLIN F/P DIST	Fire Operations & Safety	\$10,800.00	2003
EPPING F/P DIST			0
ERIE RURAL FIRE DEPT			0
ESMOND RURAL F/P DIST	Fire Operations & Safety	\$21,173.00	2003

FAIRDALE RURAL F/P DIST			0
FAIRMOUNT F/P DIST	Fire Operations & Safety	\$77,895.00	2004
FARGO FIRE DEPT	Personal Protective Equipment	\$20,468.00	2001
FARGO FIRE DEPT	Fire Operations & Safety	\$70,317.00	2003
FARGO FIRE DEPT	Fire Operations & Safety	\$232,000.00	2008
FERRY TOWNSHIP F/P DIST	Fire Operations & Safety	\$74,700.00	2003
FERRY TOWNSHIP F/P DIST	Vehicles	\$147,250.00	2005
FESSENDEN F/P DIST	Fire Operations & Safety	\$27,360.00	2007
FESSENDEN F/P DIST	Operations & Safety	\$88,279.00	2008
FINGAL F/P DISTRICT			0
FINLEY F/P DISTRICT	Firefighting Equipment	\$45,431.00	2001
FINLEY F/P DISTRICT	Vehicles	\$86,250.00	2004
FLASHER F/P DIST	Vehicles	\$93,100.00	2005
FLAXTON F/P DIST			0
FORBES RURAL F/P DIST			0
FORDVILLE F/P DIST			0
FOREST RIVER FIRE DEPT	Fire Operations & Safety	\$11,973.00	2004
FORMAN RURAL F/P DIST	Vehicles	\$55,467.00	2004
FORMAN RURAL F/P DIST	Fire Operations & Safety	\$23,760.00	2008
FORT RANSOM RURAL FIRE DI			0
FORT TOTTEN			0
FORT YATES FIRE DEPT			0
FORTUNA F/P DIST	Vehicles	\$112,950.00	2004
FREDONIA FIRE DISTRICT			0
FULLERTON FIRE DEPT			0
GACKLE FIRE DEPT	Fire Operations & Safety	\$22,500.00	2003
GACKLE FIRE DEPT	Fire Operations & Safety	\$56,050.00	2006
GACKLE RURAL FIRE DEPT			0
GALESBURG F/P DIST			0
GARRISON FIRE DEPT	Fire Operations & Safety	\$36,900.00	2003
GARRISON F/P DIST	Fire Operations & Safety	\$36,000.00	2002
GARRISON F/P DIST	Vehicles	\$156,750.00	2005
GILBY F/P DIST	Fire Operations & Safety	\$70,677.00	2003
GLADSTONE FIRE DIST			0
GLEN ULLIN F/P DIST			0
GLENBURN F/P DIST	Fire Operations & Safety	\$54,811.00	2005
GLENFIELD RURAL F/P DIST			0
GOLDEN VALLEY F/P DIST			0
GOLVA RURAL F/P DIST	Vehicles	\$72,000.00	2004
GOODRICH FIRE DEPT			0
GOODRICH RURAL F/P DIST			0
GRAFTON FIRE DEPT	Fire Operations & Safety	\$16,150.00	2005
GRAFTON RURAL F/P DIST			0
GRAND FORKS FIRE DEPT	Fire Prevention Programs	\$97,200.00	2001
GRAND FORKS FIRE DEPT	Personal Protective Equipment	\$96,300.00	2001
GRAND FORKS FIRE DEPT	Fire Operations & Safety	\$99,810.00	2002
GRAND FORKS FIRE DEPT	Fire Operations & Safety	\$348,093.00	2003
GRAND FORKS FIRE DEPT	Fire Prevention Programs	\$28,800.00	2004
GRAND FORKS FIRE DEPT	Fire Operations & Safety	\$105,957.00	2008
GRANDIN RURAL F/P DIST			0
GRANVILLE F/P DIST			0

GRASSY BUTTE F/P DIST			0
GREAT BEND RURAL F/P DIST	Vehicles	\$67,500.00	2004
GREAT BEND RURAL F/P DIST	Fire Operations & Safety	\$44,480.00	2005
GRENORA F/P DIST			0
GWINER FIRE DIST	Fire Operations & Safety	\$22,950.00	2003
GWINER FIRE DIST	Fire Operations & Safety	\$51,585.00	2005
HAGUE F/P DISTRICT	Fire Operations & Safety	\$37,829.00	2003
HAGUE F/P DISTRICT	Vehicles	\$172,633.00	2005
HALLIDAY F/P DIST			0
HAMPDEN FIRE DEPT			0
HANKINSON FIRE DEPT	Fire Operations & Safety	\$51,300.00	2003
HANKINSON FIRE DEPT	Fire Operations & Safety	\$49,994.00	2005
HANNAH RURAL FIRE DIST			0
HANNAFORD RURAL FIRE DEPT	Fire Operations & Safety	\$29,880.00	2004
HARVEY FIRE DEPT	Fire Operations & Safety	\$68,760.00	2003
HARVEY FIRE DEPT	81450	\$2,004.00	
HARVEY FIRE DEPT	Fire Operations & Safety	\$51,686.00	2007
HARVEY RURAL F/P DIST	Fire Operations & Safety	\$14,490.00	2003
HARVEY RURAL F/P DIST	Vehicles	\$142,025.00	2005
HARWOOD F/P DIST	Fire Operations & Safety	\$66,557.00	2005
HARWOOD F/P DIST	Fire Operations & Safety	\$19,000.00	2006
HASTINGS FIRE DEPT			0
HATTON FIRE DEPT			0
HATTON RURAL FIRE DEPT	Fire Operations & Safety	\$74,493.00	2003
HAVANA F/P DISTRICT			0
HAZELTON F/P DIST			0
HAZEN FIRE DEPT	Fire Operations & Safety	\$70,560.00	2004
HAZEN RURAL FIRE DEPT	Fire Operations & Safety	\$9,450.00	2002
HAZEN RURAL FIRE DEPT	Fire Operations & Safety	\$21,817.00	2003
HAZEN RURAL FIRE DEPT	Vehicles	\$171,000.00	2006
HEBRON RURAL F/P DIST	Fire Operations & Safety	\$14,040.00	2003
HENSEL FIRE DEPT			0
HETTINGER F/P DISTRICT	Fire Operations & Safety	\$26,370.00	2003
HILLSBORO FIRE DEPT	Fire Operations & Safety	\$37,525.00	2005
HOOPLE FIRE DEPT			0
HOOPLE F/P DIST	Fire Operations & Safety	\$49,320.00	2003
HOPE F/P DIST	Vehicles	\$72,345.00	2004
HORACE RURAL F/P DIST			0
HORSE CREEK FIRE DIST			0
HUNTER F/P DIST	Fire Operations & Safety	\$58,235.00	2005
INKSTER RURAL F/P DIST	Firefighting Vehicle	\$33,390.00	2002
INKSTER RURAL F/P DIST	Fire Operations & Safety	\$16,650.00	2004
INKSTER RURAL F/P DIST	Fire Operations & Safety	\$29,507.00	2005
INKSTER RURAL F/P DIST	Fire Operations & Safety	\$19,000.00	2007
INKSTER RURAL F/P DIST	Fire Operations & Safety	\$6,152.00	2008
JAMESTOWN FIRE DEPT	Fire Operations & Safety	\$28,800.00	2003
JAMESTOWN FIRE DEPT	Fire Operations & Safety	\$137,750.00	2005
JAMESTOWN FIRE DEPT	Fire Operations & Safety	\$91,984.00	2008
JAMESTOWN RURAL FIRE DEPT	Vehicles	\$207,000.00	2006
JAMESTOWN RURAL FIRE DEPT	Fire Operations & Safety	\$126,189.00	2008
JUD FIRE DEPT	Firefighting Equipment	\$3,150.00	2001

KARLSRUHE FIRE DEPT	Fire Operations & Safety	\$11,697.00	2002
KARLSRUHE RURAL FIRE DEPT			0
KATHRYN RURAL F/P DIST	Fire Operations & Safety	\$5,917.00	2004
KENMARE FIRE DEPT	Fire Operations & Safety	\$148,466.00	2008
KENMARE RURAL FIRE DIST			0
KENSAL F/P DIST	Fire Operations & Safety	\$55,206.00	2004
KINDRED FIRE DEPT	Fire Operations & Safety	\$162,000.00	2003
KINDRED RURAL FIRE DEPT			0
KRAMER FIRE DEPT			0
KRAMER RURAL F/P DIST			0
KULM FIRE DEPT			0
KULM RURAL FIRE DEPT			0
LAKOTA F/P DIST	Fire Operations & Safety	\$56,319.00	2003
LAKOTA F/P DIST	Vehicles	\$38,700.00	2004
LA MOURE FIRE DEPT	Fire Operations & Safety	\$63,000.00	2003
LA MOURE FIRE DEPT	Fire Operations & Safety	\$9,630.00	2004
LA MOURE FIRE DEPT	Fire Operations & Safety	\$22,658.00	2005
LA MOURE RURAL FIRE DEPT			0
LANGDON FIRE DEPT	Fire Operations & Safety	\$25,425.00	2003
LANGDON FIRE DEPT	Fire Operations & Safety	\$36,522.00	2004
LANGDON FIRE DEPT	Fire Operations & Safety	\$56,430.00	2005
LANGDON F/P DIST	Vehicles	\$80,595.00	2003
LANKIN FIRE DEPT			0
LANKIN RURAL FIRE DEPT			0
LANSFORD F/P DIST	Fire Operations & Safety	\$63,075.00	2005
LARIMORE FIRE DEPT	Fire Operations & Safety	\$42,750.00	2004
LARIMORE RURAL FIRE DEPT			0
Larimore Ambulance Service	Operations & Safety	\$17,811.00	2007
LAWTON FIRE DEPARTMENT	Fire Operations & Safety	\$34,096.00	2003
LAWTON FIRE DEPARTMENT	Vehicles	\$40,500.00	2004
LEEDS RURAL F/P DIST	Fire Operations & Safety	\$22,500.00	2004
LEHR FIRE DEPT	Vehicles	\$69,300.00	2004
LEHR RURAL FIRE DEPT			0
LEONARD FIRE DIST	Fire Operations & Safety	\$67,747.00	2003
LEONARD FIRE DIST	Fire Operations & Safety	\$19,562.00	2007
LEONARD FIRE DIST	Fire Operations & Safety	\$27,717.00	2008
LEONARD FIRE DIST	Fire Operations & Safety	\$55,100.00	2008
LIDGERWOOD F/P DIST	Fire Operations & Safety	\$59,565.00	2003
LIDGERWOOD F/P DIST	Fire Operations & Safety	\$19,712.00	2007
LIGNITE F/P DIST	Fire Operations & Safety	\$53,105.00	2007
LINTON FIRE DIST	Fire Operations & Safety	\$15,627.00	2002
LINTON FIRE DIST	Fire Operations & Safety	\$11,304.00	2003
LINTON FIRE DIST	Fire Operations & Safety	\$32,300.00	2007
LISBON FIRE DEPT	Fire Operations & Safety	\$9,090.00	2002
LISBON RURAL F/P DIST			0
LITCHVILLE FIRE DEPT			0
LITCHVILLE RURAL FIRE DEPT	Fire Operations & Safety	\$36,585.00	2005
MADDOCK RURAL F/P DIST			0
MANDAN FIRE DEPT	Wellness & Fitness	\$8,456.00	2001
MANDAN FIRE DEPT	Fire Operations & Safety	\$49,917.00	2003
MANDAN RURAL F/P DIST	Fire Operations & Safety	\$27,495.00	2002

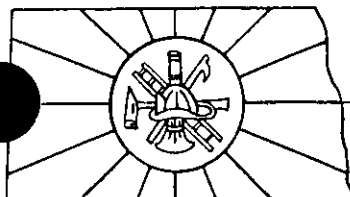
MANDAN RURAL F/P DIST	Vehicles	\$74,700.00	2003
MANDAN RURAL F/P DIST	Fire Operations & Safety	\$80,698.00	2005
MANTADOR F/P DIST			0
MAPLETON FIRE DEPT	Fire Operations & Safety	\$68,555.00	2002
MARION FIRE DEPT			0
MARION RURAL FIRE DEPT	Fire Operations & Safety	\$80,275.00	2008
MARION RURAL FIRE DEPT	Vehicles	\$118,750.00	2007
MARMARTH RURAL F/P DIST	Fire Operations & Safety	\$32,167.00	2007
MAX RURAL F/P DIST	Vehicles	\$71,005.00	2004
MAXBASS RURAL F/P DIST			0
MAYVILLE FIRE DEPT	Fire Operations & Safety	\$37,733.00	2003
MAYVILLE FIRE DEPT	Fire Operations & Safety	\$102,956.00	2007
MCCLUSKY FIRE DEPT			0
MCCLUSKY RURAL F/P DIST			0
MCHENRY RURAL FIRE DEPT	Fire Operations & Safety	\$19,980.00	2003
MCKENZIE RURAL F/P DIST			0
MCVILLE F/P DIST	Fire Operations & Safety	\$37,247.00	2004
MEDINA F/P DIST	Vehicles	\$67,500.00	2003
MEDINA F/P DIST	Fire Operations & Safety	\$16,804.00	2005
MEDORA FIRE DEPT	Fire Operations & Safety	\$24,300.00	2004
MERCER RURAL F/P DIST	Fire Operations & Safety	\$87,444.00	2002
MERCER RURAL F/P DIST	Fire Operations & Safety	\$28,359.00	2003
MERCER RURAL F/P DIST	Vehicles	\$261,250.00	2007
MERRICOURT FIRE DIST			0
MICHIGAN/WHITMAN F/P DIST	Fire Operations & Safety	\$63,549.00	2003
MICHIGAN/WHITMAN F/P DIST	Fire Operations & Safety	\$12,150.00	2004
MILNOR F/P DIST			0
MILTON F/P DIST			0
MINNEWAUKAN FIRE DEPT			0
MINNEWAUKAN F/P DIST			0
MINOT FIRE DEPT	Fire Operations & Safety	\$187,650.00	2006
MINOT RURAL F/P DIST			0
MINOT RURAL F/P DIST	Fire Operations & Safety	\$75,301.00	2003
MINOT RURAL F/P DIST	Fire O	\$38,000.00	2007
MINTO F/P DIST			0
MOHALL FIRE DEPT	Fire Operations & Safety	\$12,191.00	2003
MOHALL FIRE DEPT	Fire Operations & Safety	\$6,650.00	2008
MOHALL F/P DISTRICT			0
MOORETON FIRE DEPT			0
MOORETON RURAL F/P DIST			0
MOTT F/P DIST	Vehicles	\$94,905.00	2006
MOUNTAIN/THINGCALLA F/P DIS	Fire Operations & Safety	\$25,326.00	2002
MOUNTAIN/THINGCALLA F/P DIS	Fire Operations & Safety	\$18,833.00	2004
MOUNTAIN/THINGCALLA F/P DIS	Fire Operations & Safety	\$45,366.00	2007
MUNICH RURAL F/P DIST	Fire Operations & Safety	\$38,862.00	2002
MUNICH RURAL F/P DIST	Vehicles	\$261,250.00	2007
MYLO RURAL F/P DIST			0
NAPOLEON F/P DIST	Vehicles	\$127,800.00	2004
NECHE F/P DIST	Vehicles	\$135,990.00	2003
NECHE F/P DIST	Fire Operations & Safety	\$52,239.00	2005
NECHE F/P DIST	Fire Operations & Safety	\$7,885.00	2006

NEKOMA F/P DIST	Fire Operations & Safety	\$32,235.00	2002
NEKOMA F/P DIST	Vehicles	\$85,500.00	2004
NEWBERG RURAL F/P DIST			0
NEW ENGLAND FIRE DEPT			0
NEW ENGLAND F/P DIST	Fire Operations & Safety	\$49,050.00	2003
NEW LEIPZIG F/P DIST	Fire Operations & Safety	\$49,680.00	2004
NEW ROCKFORD FIRE DEPT	Fire Operations & Safety	\$74,689.00	2006
NEW ROCKFORD FIRE DEPT	Fire Operations & Safety	\$72,937.00	2007
NEW ROCKFORD RURAL F.D.			0
NEW SALEM F/P DIST	Fire Operations & Safety	\$78,390.00	2004
NEW SALEM F/P DIST	Vehicles	\$237,500.00	2007
NEW TOWN FIRE DEPT	Fire Operations & Safety	\$10,800.00	2003
NEW TOWN FIRE DEPT	Fire Operations & Safety	\$38,840.00	2004
NEW TOWN FIRE DEPT	Fire Operations & Safety	\$35,065.00	2007
NEW TOWN RURAL F/P DIST			0
NIAGRA RURAL F/P DIST	Fire Operations & Safety	\$21,474.00	2003
NOME F/P DIST	Fire Operations & Safety	\$52,540.00	2005
NOONAN FIRE DEPT			0
NOONAN RURAL FIRE DEPT			0
NORTHWOOD FIRE DEPT	Vehicles	\$224,207.00	2008
NORTHWOOD RURAL FIRE DEP	Fire Operations & Safety	\$39,974.00	2002
OAKES FIRE DEPT			0
OBERON FIRE DEPT			0
OBERON RURAL F.D.			0
OLIVER COUNTY F/P DIST	Vehicles	\$114,000.00	2006
Oliver County Ambulance	Operations & Safety	\$21,280.00	2008
Oliver County Ambulance	Vehicles	\$114,000.00	2008
ORISKA FIRE DEPT			0
OSNABROCK FIRE DEPT	Fire Operations & Safety	\$18,900.00	2003
OSNABROCK F/P DIST			0
PAGE F/P DIST			0
PAGE F/P DIST	Fire Operations & Safety	\$59,400.00	2004
PARK RIVER FIRE DEPT			0
PARK RIVER FIRE DEPT	Fire Operations & Safety	\$34,313.00	2003
PARK RIVER FIRE DEPT	Vehicles	\$54,000.00	2004
PARK RIVER F/P DIST	Personal Protective Equipment	\$36,495.00	2001
PARK RIVER F/P DIST	Vehicles	\$171,000.00	2002
PARK RIVER F/P DIST	Fire Operations & Safety	\$344,741.00	2008
PARSHALL FIRE DEPT	Fire Operations & Safety	\$131,940.00	2003
PARSHALL RURAL F/P DIST			0
PEKIN FIRE DEPT			0
PEMBINA FIRE DEPT	Vehicles	\$39,416.00	2002
PEMBINA FIRE DEPT	Fire Operations & Safety	\$51,300.00	2004
PETERSBURG RURAL F/P DIST			0
PETTIBONE FIRE DEPT			0
PETTIBONE RURAL FIRE DEPT			0
PICK CITY FIRE DEPT	Firefighting Equipment	\$9,000.00	2001
PINGREE RURAL F/P DIST	Vehicles	\$34,577.00	2004
PISEK RURAL F/P DIST	Vehicles	\$72,450.00	2002
PLAZA F/P DIST			0
PORTAL RURAL FIRE DEPT	Fire Operations & Safety	\$44,503.00	2005

PORTAL RURAL FIRE DEPT	Vehicles	\$118,750.00	2007
PORTAL RURAL FIRE DEPT	Fire Operations & Safety	\$31,741.00	2008
PORTLAND F/P DIST	Fire Operations & Safety	\$39,998.00	2002
PORTLAND F/P DIST	Fire Operations & Safety	\$49,347.00	2004
PORTLAND F/P DIST	Fire Operations & Safety	\$35,148.00	2008
POWERS LAKE RURAL F/P			0
RAY F/P DIST	Fire Operations & Safety	\$27,000.00	2003
RAY F/P DIST	Fire Operations & Safety	\$8,775.00	2004
REEDER F/P DIST			0
REGENT RURAL F/P DIST	Vehicles	\$86,229.00	2008
REYNOLDS F/P DIST			0
RHAME F/P DIST			0
RICHARDTON FIRE DEPT			0
RICHARDTON RURAL F/P DIST	Fire Operations & Safety	\$52,488.00	2004
RIVERDALE FIRE DEPT			0
ROBINSON RURAL F/P DIST			0
ROCK LAKE F/P DIST	Fire Operations & Safety	\$40,500.00	2003
ROGERS FIRE DEPT	Fire Operations & Safety	\$29,716.00	2007
ROGERS FIRE DEPT	Vehicles	\$171,000.00	2008
ROLETTE FIRE DEPT	Vehicles	\$211,880.00	2006
ROLETTE RURAL F/P DIST			0
ROLETTE RURAL F/P DIST	Vehicles	\$118,750.00	2007
ROLLA FIRE DEPT	Fire Operations & Safety	\$49,662.00	2003
ROLLA RURAL F/P DIST			0
ROSS F/P DIST			0
RUGBY FIRE DEPT	Fire Operations & Safety	\$24,750.00	2002
RUGBY FIRE DEPT	Fire Operations & Safety	\$21,060.00	2003
RUGBY FIRE DEPT	Fire Operations & Safety	\$19,800.00	2004
RUGBY F/P DIST			0
RUTLAND/CAYUGA F/P DIST			0
RYDER MAKOTI F/P DIST	Vehicles	\$88,200.00	2002
RYDER MAKOTI F/P DIST	Fire Operations & Safety	\$89,901.00	2003
RYDER MAKOTI F/P DIST	Fire Operations & Safety	\$22,032.00	2004
RYDER MAKOTI F/P DIST	Fire Operations & Safety	\$73,055.00	2008
SANBORN FIRE DEPT			0
SANBORN FIRE DEPT	Vehicles	\$157,221.00	2005
SANBORN F/P DISTRICT	Vehicles	\$148,500.00	2003
SANBORN F/P DISTRICT	Fire Operations & Safety	\$97,114.00	2005
SARLES RURAL F/PDIST			0
SAWYER F/P DIST			0
SCRANTON F/P DIST	Fire Operations & Safety	\$59,436.00	2002
SELFRIDGE RURAL FIRE DIST			0
SENTINEL BUTTE F/P DIST			0
SHARON FIRE DEPT	Fire Operations & Safety	\$12,798.00	2004
SHERWOOD F/P DIST			0
SHEYENNE FIRE DEPT			0
SHEYENNE RURAL FIRE DEPT			0
SIBLEY FIRE DEPT			0
SOLEN RURAL F/P DIST			0
SOURIS F/P DIST			0
SOUTH HEART F/P DIST	Vehicles	\$78,850.00	2005

SOUTHWEST RURAL F/P DIST			0
ST JOHN FIRE DIST	Fire Operations & Safety	\$20,250.00	2004
ST THOMAS F/P DIST			0
STANLEY FIRE DEPT			0
STANLEY RURAL F/P DIST	Vehicles	\$31,000.00	2001
STANTON FIRE DEPT			0
STANTON RURAL F/P DIST			0
STARKWEATHER F/P DIST	Vehicles	\$25,200.00	2001
STARKWEATHER F/P DIST	Fire Operations & Safety	\$79,580.00	2002
STEELE FIRE DEPT			0
STEELE FIRE PROT DIST			0
STERLING F/P DISTRICT	Vehicles	\$123,975.00	2007
STRASBURG RURAL F/P DIST	Vehicles	\$72,333.00	2001
STRASBURG RURAL F/P DIST	Fire Operations & Safety	\$82,569.00	2005
STRASBURG RURAL F/P DIST	Fire Operations & Safety	\$15,675.00	2006
STREETER F/P DIST	Fire Operations & Safety	\$97,052.00	2005
STREETER F/P DIST	Vehicles	\$230,755.00	2008
SURREY RURAL F/P DIST	Fire Operations & Safety	\$24,840.00	2003
SYKESTON F/P DIST			0
TAPPEN FIRE DEPT			0
TAPPEN RURAL FIRE DEPT			0
TAYLOR RURAL F/P DIST			0
THOMPSON RURAL F/P DIST	Fire Operations & Safety	\$79,401.00	2002
TIOGA FIRE DEPT			0
TIOGA RURAL FIRE DEPT			0
TOLLEY FIRE DEPT	Fire Operations & Safety	\$42,132.00	2007
TOLNA RURAL F/P DIST	Firefighter Safety	\$10,845.00	2003
TOLNA RURAL F/P DIST	Fire Operations & Safety	\$43,292.00	2007
TOWER CITY F/P DIST	Fire Operations & Safety	\$49,122.00	2003
TOWNER FIRE DEPT	Fire Operations & Safety	\$51,918.00	2003
TOWNER FIRE DEPT	Vehicles	\$86,742.00	2004
TOWNER RURAL F/P DIST			0
TRENTON F/P DIST	Fire Operations & Safety	\$12,825.00	2003
TURTLE LAKE RURAL F/P DIST	Personal Protective Equipment	\$13,500.00	2001
TURTLE LAKE RURAL F/P DIST	Fire Operations & Safety	\$80,393.00	2003
TUTTLE F/P DIST			0
UNDERWOOD F/P DIST	Fire Operations & Safety	\$157,105.00	2002
UPHAM F/P DIST			0
VALLEY CITY FIRE DEPT	Fire Operations & Safety	\$81,000.00	2002
VALLEY CITY FIRE DEPT	Fire Operations & Safety	\$88,200.00	2004
VALLEY CITY FIRE DEPT	Fire Operations & Safety	\$81,645.00	2005
VALLET CITY FIRE DEPT	Fire Operations & Safety	\$74,010.00	2007
VALLEY CITY RURAL FIRE DEPT	Vehicles	\$167,200.00	2008
VELVA FIRE DEPT			0
VELVA RURAL F/P DIST	Fire Operations & Safety	\$85,310.00	2006
VERONA FIRE DEPT			0
VERONA RURAL F/P			0
WAHPETON FIRE DEPT	Fire Operations & Safety	\$125,573.00	2004
WAHPETON FIRE DEPT	Fire Operations & Safety	\$252,415.00	2007
WALCOTT/COLFAX RURAL F/P	Fire Operations & Safety	\$76,205.00	2002
WALCOTT Fire Dept	Vehicles	\$137,799.00	2003

WALES FIRE DEPT			0
WALHALLA FIRE DEPT			0
WALHALLA F/P DIST			0
WARWICK FIRE DEPT			0
WASHBURN FIRE DEPT	Personal Protective Equipment	\$9,715.00	2001
WASHBURN FIRE DEPT	Vehicles	\$56,160.00	2003
WASHBURN RURAL FIRE DIST	Fire Operations & Safety	\$55,440.00	2002
WATFORD CITY FIRE DEPT	Fire Operations & Safety	\$45,900.00	2003
WEST DUNN FIRE DIST	Vehicles	\$103,680.00	2003
WEST FARGO FIRE DEPT	Fire Operations & Safety	\$54,390.00	2002
WEST FARGO FIRE DEPT	Fire Operations & Safety	\$61,290.00	2003
WEST FARGO FIRE DEPT	Fire Operations & Safety	\$94,604.00	2004
WEST FARGO RURAL FIRE			0
West Trail Ambulance Service	Vehicles	\$71,806.00	2005
WESTHOPE RURAL F/P DIST			0
WILDROSE F/P DISTRICT			0
WILLISTON FIRE DEPT			0
WILLISTON RURAL F/P DIST			0
WILLOW CITY RURAL F/P DIST	Vehicles	\$114,000.00	2006
WILTON F/P DIST	Fire Operations & Safety	\$159,498.00	2004
WIMBLETON F/P DIST	Fire Operations & Safety	\$31,410.00	2002
WIMBLETON F/P DIST	Fire Operations & Safety	\$127,197.00	2003
WIMBLETON F/P DIST	Vehicles	\$242,725.00	2007
WING F/P DIST			0
WISHEK F/P DIST	Fire Operations & Safety	\$10,800.00	2003
WOLFORD F/P DIST			0
WOODWORTH FIRE DEPT			0
WOODWORTH RURAL FIRE DEP			0
WYNDMERE F/P DIST			0
ZAP RURAL F/P DIST			0
ZEELAND F/P DIST	Fire Operations & Safety	\$39,798.00	2004
Spirit Lake Fire Dept Ft. Totten	Vehicles	\$139,500.00	2003
Three Affiliated Tribes New Town	Firefighting Equipment	\$49,680.00	2001
TOTAL	343 grants	\$23,164,139.00	
198 different fire departments			
5 ambulance services			
2 tribal fire departments			



Organized June 4, 1884. Incorporated January 20, 1901.

North Dakota Firefighter's Association

P.O. Box 6127 • Bismarck, ND 58506-6127

Phone: 701-222-2799

Fax: 701-222-2899

HB1010 INSURANCE DEPARTMENT BUDGET

Mr. Chairman and members of the Senate Appropriations Committee, my name is Lois Hartman. I am the Executive Director and State Training Director of the North Dakota Firefighter's Association. I appear before you today in support of HB1010 with one amendment.

Line 15 of page 1 provides for the payments to the fire departments and the budget for the North Dakota Firefighter's Association. The Governor's budget request included an increase of \$500,000 for the North Dakota Firefighter's Association budget. This increase is necessary because of additional training requirements to the fire departments by the federal government. In addition, the NDFA is stepping up its programs in order to meet additional training requests by fire departments in the state. The NDFA requests that HB1010 be amended online 15 to read: \$6,490,00 Base Level, \$500,000 Enhancements, and \$6,990,000 Appropriation. Line 16 would then reflect Total special funds, \$14,455,124, Enhancements of \$974,625 and the Appropriation would be \$15,429,749. This would restore the Governor's budget request for the North Dakota Firefighter's Association and the fire departments of the state.

Lines 19- 23 would read Section 1 of this Act includes \$6,990,000 from the insurance premium tax distribution fund, of which \$6,200,000 is for the purpose of making payments to fire departments and \$500,000 is for the purpose of making two equal payments to the North Dakota firefighter's association, for the biennium beginning July 1, 2009 and ending June 30, 2011.

The national firefighter training standard is based on the National Fire Protection Standard (NFPA)1001, Professional Qualifications Standard for Firefighters. The NDFA has been working toward developing a state training program that will meet the national standard. Unfortunately, current funding limitations and lack of staff puts the state's firefighter certification program on hold and does not allow the NDFA to deliver the level of training needed to meet the national standard. This budget request will allow us to improve the training programs in order to meet the standards. I have attached the Association budget summary that supports this budget request. You will see that the Association does not rely totally on the appropriation to fund fire service training but seeks outside funding sources to augment the appropriation.

In addition, FEMA administers a national competitive grant program inviting fire departments to purchase equipment, training and fire prevention materials. The program was established in 2001 before the September attacks. Since the inception of the grant program, each year a group of fire service leaders are invited back to the National Fire Academy to review the criteria and set the guidelines for the coming year. In the past two years, the application has asked if the department trains and certifies to the NFPA 1001 standard. If the answer is no, points are deducted from their score on the grant application and it becomes extremely difficult for a fire department to score high enough to be awarded a grant. This places North Dakota fire departments at a great disadvantage. In order to assist fire departments to qualify in the grant process, the NDFA must upgrade its training and certification programs. I have attached a spreadsheet listing the grants that have been awarded to North Dakota fire departments through this grant program.

In January 2008, NDFA conducted a fire department needs assessment to help guide the strategic planning process. The survey was sent to 376 fire departments. 111 fire departments returned the survey. From that response, the Association determined that the fire departments need assistance with all types of training, as well as grant searches and applications.

The resulting strategic plan allows for hiring of a full time state training director as well as maintaining the position of a full time executive director and a part time office assistant. The assistant's hours will most likely increase as the training workload shifts to a higher level. The state training director will need to pursue national third-party accreditation for the state firefighter certification system as well as coordinate the additional training needs, including advanced level of hazardous materials training. This will bring the state training program more in line with the NFPA Standards. The executive director will continue to manage the day to day operations of the office as well as to researching outside funding sources.

Mr. Chairman, as an additional resource, I would like to leave with the committee a report published by the U S Fire Administration in 2007, on the need for training in North Dakota. Due to the length of the report, I did not make a copy for each committee member, but would just like to leave it as an additional resource.

Mr. Chairman and members of the Appropriations Committee, I respectfully request a do pass to HB1010 with the restoration of the funds requested by NDFA and the Governor.

Mr. Chairman and members of the House Appropriations Committee, my name is Bruce Schreiner. I am the fire chief of the Garrison Fire Department. I am also a past President of the North Dakota Firefighter's Association as well as past President of the North Dakota Fire Chief's Association. I appear before you today in support of HB1010.

There is an increase in funds of \$500,000 listed that reflects the requested increase in the North Dakota Firefighter's Association budget. This increase is necessary because of the additional training requirements that are being placed on all fire departments across the state by the federal government. In order to meet the new requirements, the NDFA has to expand and improve its training program in order to meet this additional training requirement.

The national firefighter training standard is based on the National Fire Protection Standard (NFPA) 1001, Professional Qualification Standard for Firefighters. The NDFA has been working towards developing a state training program that will meet the national standard. Due to their current funding limitations and lack of staff, it is not possible to update the state's firefighter training and certification program to meet the national standard. This budget request will allow them to improve the training programs and meet the standards. As a fire chief of a North Dakota fire department, I ask you to approve this budget increase.

In addition, FEMA administers a national competitive grant program called the FIRE Act Grant Program. The program was established in 2001 before the September 11th attacks. This grant program invites fire departments to apply for grants to purchase equipment, training and fire prevention materials. In the past two years, the application has asked if the department trains and certifies to the NFPA 1001 standard. If the answer is no, points are deducted from their score on the grant application. It becomes extremely difficult for a fire department to score high enough to be awarded a grant if we cannot answer the training question with a yes. At this time, the NDFA is unable to offer training that is NFPA compliant. This places North Dakota fire departments at a great disadvantage for these grants. In order to assist fire departments to qualify in the grant process, the NDFA must upgrade its training and certification programs. We have received grants in the past, but last year did not make it past the preliminary review due to having to answer no to the training question. It is vital that the NDFA receives additional funding to bring fire departments up to the NFPA 1001 standard.

There are some 7,500 firefighters across the state. They need to be trained so that they meet the new standards. There also has to be continuing training in order to keep our firefighters up to date in their training and keep them safe. The total state funds of \$790,000 to the NDFA represent just over \$50.00 per firefighter per year. I think for the amount of property and lives that we protect, this is about the best bargain the state has.

Mr. Chairman and members of the Appropriations Committee, I respectfully request a do pass on HB1010.

March 2, 2009

Mr. Chairman and members of the committee, my name is Rick Graba. I am a Captain with the Bismarck Fire Department and a fire service instructor. I am in support of a budget increase for the North Dakota Firefighter's Association.

In 2007 the US Fire Administration issued a report (Four Years Later) concerning the state of the fire service in the United States. The report results for North Dakota were poor. North Dakota was at or very close to the bottom in virtually every major category.

Personnel and Their Capabilities in North Dakota

- An estimated 91% of fire departments are involved in structural firefighting but have not formally trained all involved firefighters in those duties.
- An estimated 40% of fire departments are involved in delivering emergency medical services (EMS) but have not provided formal training in those duties to all involved personnel. .

Ability to Handle Unusually Challenging Incidents in North Dakota

- 17% of fire departments reported they were responsible for a technical rescue with EMS at a structural collapse of a building with 50 occupants and had enough specially trained people locally.
- 4% of fire departments reported they were responsible for a hazmat and EMS incident involving chemical/biological agents and 10 injuries and had enough specially trained people locally.
- 35% of fire departments reported they were responsible for a wildland/urban interface fire affecting 500 acres and had enough specially trained people locally.
- 13% of fire departments reported they were responsible for mitigation of a developing major flood and had enough specially trained people locally.

The fire service across the state is in dire need of this funding. We are the initial responder to virtually every emergency. When we arrive on-scene we are expected to take care of most, if not all of their concerns. You need to support this bill so North Dakota's firefighters can fulfill their commitment to the state.

NDLA, H APP GO

From: Larson, Brady A.
Sent: Tuesday, April 21, 2009 10:57 AM
To: Thoreson, Blair; Delzer, Jeff W.; Glassheim, Eliot A.; Grindberg, Tony S.; Wardner, Rich P.; Krauter, Aaron J.
Cc: NDLA, H APP GO; Morrisette, Joe R.
Subject: Firefighter's Association Dues

Members of the House Bill No. 1010 (Insurance Department) Conference Committee:

Pursuant to a request made at the April 20, 2009, committee meeting, the information below was provided by the Insurance Department in response to a question regarding funding used to pay dues of the North Dakota Firefighter's Association.

Please contact this office with any questions.

Brady Larson
Legislative Council

From: Martin, Larry J.
Sent: Monday, April 20, 2009 1:34 PM
To: Larson, Brady A.
Cc: Hamm, Adam W.; Ternes, Rebecca L.; 'lois@ndfa.net'
Subject: RE: NDFA Dues

Brady,

The appropriation for dues to the ND Firefighters Association (NDFA) began in the 2001-2003 biennium. The original appropriation was \$104,000. This amount was increased to \$120,000 in the 2005-2007 biennium. Prior to 2001, members of the NDFA were assessed dues based on the annual insurance tax distribution payment received by each fire department. The proceeds from these dues are used by the NDFA to pay for salaries and operating costs. In 2001 the membership of the NDFA requested that the dues assessment be eliminated. To make up the lost revenue, the NDFA approached the legislature to provide funding from the state through the Insurance Department's appropriation.

Without the \$120,000 of funding from the state, the NDFA would need to assess higher dues to its members to continue to operate. Currently each member department pays \$25 annually to belong to the association. The NDFA provides training to its members. A substantial increase in dues may force some departments to drop their membership and eliminate access to the training provided by the association.

If you have any questions or need additional information, please contact me.

Larry J. Martin, CPA
Account/Budget Specialist
ND Insurance Department
(701)328-2930



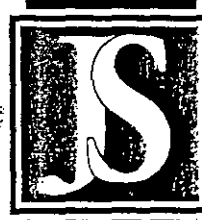
Jason Schuh, PC
Certified Public Accountant

FINANCIAL STATEMENT

North Dakota Firefighter's Association

For the Years Ended

April 30, 2007 and 2006



MANAGEMENT LETTER

Jason Schuh, PC

Certified Public Accountant

December 10, 2007

Board of Directors
North Dakota Firefighter's Association
P.O. Box 6127
Bismarck, ND 58506-6127

In planning and performing my audit of the financial statements of the North Dakota Firefighter's Association for the year ended April 30, 2007, I considered the Association's internal control structure to determine my auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

Proper measures are in place to assure adequate internal control. Since adding additional staff is not practicable, the most effective controls lie in the Association's knowledge of matters relating to day to day operations.

The North Dakota Firefighter's Association has deposits with US Bank that are periodically in excess of the federally insured limits. I would suggest obtaining excess deposit insurance or pledged collateral from the financial institution or moving some funds to another FDIC insured financial institution.

Greater care should be exercised in the preparation of payroll. A disbursement was made to an employee for unused sick pay and was not included in the employee's gross wages and did not have the proper taxes withheld.

Thank you for allowing me to be of service and I wish to express my appreciation to your staff for their fine cooperation during the course of this audit. Please call if you have any questions or if I can be of additional service.

Sincerely,

Jason Schuh, PC
Certified Public Accountant

NORTH DAKOTA FIREFIGHTER'S ASSOCIATION

Bismarck, North Dakota

April 30, 2007 and 2006

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INDEPENDENT AUDITOR'S REPORT

Jason Schuh, PC

Certified Public Accountant

North Dakota Firefighter's Association
P.O. Box 6127
Bismarck, ND 58506-6127

I have audited the accompanying statements of financial position of the North Dakota Firefighter's Association (a nonprofit organization) as of April 30, 2007 and 2006, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Association's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the North Dakota Firefighter's Association as of April 30, 2007 and 2006, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated December 10, 2007, on my consideration of the North Dakota Firefighters' Association's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audits.

Jason Schuh, PC
Certified Public Accountant

December 10, 2007

NORTH DAKOTA FIREFIGHTER'S ASSOCIATION
Statements of Financial Position
April 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
ASSETS		
Cash and cash equivalents	\$ 46,438	\$ 67,048
Certificate of deposit	58,292	55,756
Accounts receivable	7,752	1,364
Interest receivable	352	284
Inventories	9,243	8,302
Prepaid expenses	7,664	7,175
Equipment and film library at cost less accumulated depreciation of \$132,219 for 2007 and \$123,783 for 2006	<u>8,486</u>	<u>16,922</u>
TOTAL ASSETS	<u><u>\$ 138,227</u></u>	<u><u>\$ 156,851</u></u>
LIABILITIES		
Accounts payable	\$ 10,841	\$ 8,266
ND state withholding payable	67	70
Employee life insurance payable	237	179
Deferred revenue	7,483	7,567
Agency funds	<u>9,532</u>	<u>0</u>
TOTAL LIABILITIES	<u><u>\$ 28,160</u></u>	<u><u>\$ 16,082</u></u>
NET ASSETS		
Unrestricted net assets:		
Operating	<u>\$ 110,067</u>	<u>\$ 140,769</u>
TOTAL NET ASSETS	<u><u>\$ 110,067</u></u>	<u><u>\$ 140,769</u></u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 138,227</u></u>	<u><u>\$ 156,851</u></u>

The accompanying notes are an integral part of these financial statements.

NORTH DAKOTA FIREFIGHTER'S ASSOCIATION
Statements of Activities
For the Years Ended April 30, 2007 and 2006

UNRESTRICTED NET ASSETS	<u>2007</u>	<u>2006</u>
Support		
IFSTA sales	\$ 15,848	\$ 13,318
Resale items	4,888	6,294
Dues	11,083	11,450
Grants	3,218	22,792
Registrations	46,900	21,039
Appropriations	123,416	123,424
Testing fees	5,870	6,320
Other revenue		
Reimbursed expenses	13,479	5,713
Miscellaneous income	6,027	2,125
Gain on disposal of equipment	0	100
Interest income	<u>3,713</u>	<u>2,857</u>
 TOTAL UNRESTRICTED SUPPORT	 \$ 234,442	 \$ 215,432
Net assets released from restrictions		
Restrictions satisfied by payments	<u>0</u>	<u>0</u>
 TOTAL UNRESTRICTED REVENUES AND RECLASSIFICATIONS	 \$ 234,442	 \$ 215,432
Expenses:		
Program services	\$ 133,512	\$ 140,207
Management and general	<u>131,632</u>	<u>135,852</u>
Total expenses	\$ 265,144	\$ 276,059
Increase (decrease) in unrestricted net assets	\$ (30,702)	\$ (60,627)
Temporarily Restricted Net Assets		
Net assets released from restrictions	<u>\$ 0</u>	<u>\$ 0</u>
Increase (decrease) in temporarily restricted net assets	<u>\$ 0</u>	<u>\$ 0</u>
Increase (decrease) in net assets	\$ (30,702)	\$ (60,627)
Net assets at beginning of year	<u>140,769</u>	<u>201,396</u>
Net assets at end of year	<u>\$ 110,067</u>	<u>\$ 140,769</u>

The accompanying notes are an integral part of these financial statements.

NORTH DAKOTA FIREFIGHTER'S ASSOCIATION
Statements of Cash Flows
For the Years Ended April 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ (30,702)	\$ (60,627)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities		
Depreciation	8,436	9,380
(Gain) loss on disposal of equipment	0	(100)
(Increase) decrease in:		
Interest receivable	(68)	(9)
Accounts receivable	(6,388)	1,024
Inventory	(941)	622
Prepaid expenses	(489)	553
Increase (decrease) in:		
Accrued expenses	55	(54)
Accounts payable	2,575	(28)
Deferred revenue	(84)	(300)
Agency funds	<u>9,532</u>	<u>0</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (18,074)</u>	<u>\$ (49,539)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of property and equipment	\$ 0	\$ 100
Acquisition of property and equipment	0	(1,588)
Increase in certificate of deposit	<u>(2,536)</u>	<u>(1,756)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>\$ (2,536)</u>	<u>\$ (3,244)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>\$ (20,610)</u>	<u>\$ (52,783)</u>
BEGINNING CASH AND CASH EQUIVALENTS	<u>67,048</u>	<u>119,831</u>
ENDING CASH AND CASH EQUIVALENTS	<u><u>\$ 46,438</u></u>	<u><u>\$ 67,048</u></u>
Supplemental Data:		
Interest paid	<u><u>\$ 504</u></u>	<u><u>\$ 342</u></u>

The accompanying notes are an integral part of these financial statements.

NORTH DAKOTA FIREFIGHTER'S ASSOCIATION

Notes to Financial Statements

April 30, 2007 and 2006

NOTE 1: Summary of Significant Accounting Policies

a. Basis of Accounting

The financial statements of the North Dakota Firefighter's Association have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

b. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Association is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

c. Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months.

d. Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions.

NORTH DAKOTA FIREFIGHTER'S ASSOCIATION

Notes to Financial Statements

April 30, 2007 and 2006

NOTE 1: Summary of Significant Accounting Policies (cont.)

e. Income Taxes

The Association is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and by virtue thereof is also exempt from North Dakota state income taxes.

f. Nature of Operations

According to Chapter 18-03 of the North Dakota Century Code, The North Dakota Firefighter's Association consists of the various organized fire departments within the state. Each fire department within the state is entitled to membership in the Association upon compliance with the constitution and by-laws thereof.

g. Film Library and Equipment

The film library and equipment is recorded at actual cost. The Association has no capitalization policy. Depreciation is computed using primarily the straight-line method. The useful life of the films and equipment range from five to seven years. Film library and equipment at April 30, 2007 and 2006 consisted of the following:

	<u>4/30/2007</u>	<u>4/30/2006</u>
Film library	\$ 83,539	\$ 83,539
Equipment	57,166	57,166
Accumulated depreciation	<u>(132,219)</u>	<u>(123,783)</u>
	<u>\$ 8,486</u>	<u>\$ 16,922</u>

h. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

NORTH DAKOTA FIREFIGHTER'S ASSOCIATION

Notes to Financial Statements

April 30, 2007 and 2006

NOTE 1: Summary of Significant Accounting Policies (cont.)

i. Deferred Revenue

Local fire departments pay an annual membership due to belong to the Association for the calendar year. The amount as of April 30th represents amounts to be recognized as income when earned in the following fiscal year.

NOTE 2: Investments

Investments as of April 30, 2007 and 2006 are stated at cost and consists of the following:

	<u>4/30/2007</u>	<u>4/30/2006</u>
CD - US Bank	\$ 58,292	\$ 55,756

NOTE 3: Accounts Receivable

All accounts receivable were deemed to be fully collectible. Any account deemed uncollectible is charged to operations in the year it is deemed uncollectible. The amounts deemed uncollectible have historically been insignificant.

The accounts receivables as of April 30 2007, and 2006, respectively, are summarized as follows:

	<u>4/30/2007</u>	<u>4/30/2006</u>
Dues	\$ 450.00	\$ 225.00
IFSTA Materials	3,224.30	229.49
Banks	-0-	70.00
Registration	40.00	100.00
Pins	-0-	160.00
Training Grant	3,217.50	-0-
Testing Fee	820.00	580.00
	<u>\$ 7,751.80</u>	<u>\$ 1,364.49</u>

NOTE 4: Interest Receivable

Interest receivable consists of the interest accrued on the certificate of deposit as of April 30th.

NORTH DAKOTA FIREFIGHTER'S ASSOCIATION

Notes to Financial Statements

April 30, 2007 and 2006

NOTE 5: Inventory

Inventory is stated at the lower of cost or market value. Cost is determined using the specific identification method. Inventory consists of the following as of April 30, 2007 and 2006, respectively:

	<u>4/30/2007</u>	<u>4/30/2006</u>
Vet Pins	\$ 6,235.00	\$ 6,265.00
Banks	1,050.00	-0-
Patches and Rockers	<u>1,957.74</u>	<u>2,037.18</u>
	<u>\$ 9,242.74</u>	<u>\$ 8,302.18</u>

NOTE 6: Concentration of Credit Risk

The North Dakota Firefighter's Association maintains its cash balances in two financial institutions located in Bismarck, ND. The balances at each financial institution are insured by the Federal Deposit Insurance Corporation up to \$100,000. As of April 30, 2007, none of the cash balances exceeded this limit. As of April 30, 2006, none of the cash balances exceeded this limit.

NOTE 7: Retirement Arrangements

The Association has a Simple-IRA plan for all eligible employees to participate in. If the employee decides to participate in the plan, he or she must contribute to the plan, with the Association contributing up to 3% of each employee's eligible compensation. The expense to the Association for the fiscal years ended April 30, 2007 and 2006, was \$1,494 and \$1,447, respectively.

NOTE 8: Existence of Concentration in Support Received

The Association receives approximately 53% of its support from the State of North Dakota. In the event that this support were to be eliminated, it is likely that the Association would need to reduce its current operations. The Association does not expect in any way that the support from this governmental agency will be lost in the near term.

NORTH DAKOTA FIREFIGHTER'S ASSOCIATION

Notes to Financial Statements

April 30, 2007 and 2006

NOTE 9: Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE 10: Agency Funds

The North Dakota Firefighter's Association acts as a trustee for the ND Fire Prevention Association to help administer their Risk Watch Program. Any unspent grant funds are shown as a liability in the statements of financial position.

NOTE 11: Lease

The North Dakota Firefighter's Association entered into a lease agreement on March 13, 2002 with SFM, LLP for the use of office space in Bismarck, North Dakota. The lease requires monthly payments of \$856. The lease term is for five years with an option to renew subject to landlord's approval. The lease expired on March 31, 2007 and were on a month-to-month lease for the remainder of their time at that location. The Association moved into a new location commencing June 1, 2007. Total rent expense under this operating lease for the years ended April 30, 2007 and 2006 was \$10,272 and \$10,272, respectively. Future minimum rental payments required under the operating lease are as follows:

	<u>4/30/2007</u>	<u>4/30/2006</u>
Year ended April 30		
2007	\$ <u>-0-</u>	\$ <u>9,416</u>
Total	\$ <u>-0-</u>	\$ <u>9,416</u>



INDEPENDENT AUDITOR'S REPORT
ON ADDITIONAL INFORMATION

Jason Schuh, PC
Certified Public Accountant

Board of Directors
North Dakota Firefighter's Association
P.O. Box 6127
Bismarck, North Dakota 58506-6127

My report on my audits of the basic financial statements of the North Dakota Firefighter's Association for the years ended April 30, 2007 and 2006, appears on page 2. Those audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules of functional expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Jason Schuh, PC
Certified Public Accountant

December 10, 2007

JS/kkm

See accompanying notes and accountant's report

NORTH DAKOTA FIREFIGHTER'S ASSOCIATION
Schedules of Functional Expenses
For the Years Ended April 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Program Services		
Federal grant expense	\$ 0	\$ 676
State school	84,256	92,471
Regional schools	19,596	16,710
Certification expenses	7,075	9,678
Training library	3,462	3,240
Training materials	13,256	12,432
Grant expense	<u>5,867</u>	<u>5,000</u>
	<u>\$ 133,512</u>	<u>\$ 140,207</u>
Management and General		
Office expense	\$ 15,030	\$ 15,232
Annual convention	9,009	7,752
Conferences	9,696	15,711
Bank charges	330	296
Insurance	3,138	2,722
Interest expense	504	342
Dues and subscriptions	637	542
Salaries	57,515	55,928
Employee benefits	2,722	2,721
Executive board expense	11,385	9,148
Professional fees	2,574	4,224
Repairs	922	1,385
Payroll taxes	4,359	4,240
Items for resale	4,925	5,729
Miscellaneous	450	500
Depreciation	<u>8,436</u>	<u>9,380</u>
	<u>\$ 131,632</u>	<u>\$ 135,852</u>
Total expenses	<u>\$ 265,144</u>	<u>\$ 276,059</u>

The accompanying notes are an integral part of these financial statements.



Jason Schuh, PC

Certified Public Accountant

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

North Dakota Firefighter's Association
P.O. Box 6127
Bismarck, ND 58506-6127

I have audited the financial statements of the North Dakota Firefighter's Association (a nonprofit organization) as of and for the years ended April 30, 2007 and 2006, and have issued my report thereon dated December 10, 2007. I conducted my audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audits, I considered the North Dakota Firefighters' Association's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the North Dakota Firefighters' Association's internal control over financial reporting. Accordingly, I do not express an opinion of the effectiveness of the North Dakota Firefighter's Association's internal control over financial reporting.

My consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, I identified certain deficiencies in internal control over financial reporting that I consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the North Dakota Firefighters' Association's ability to initiate, authorize, records, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there

is more than a remote likelihood that a misstatement of the association's financial statements that is more than inconsequential will not be prevented or detected by the association's internal control. I consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 07-01 and 07-02 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the association's internal control.

My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, I believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the North Dakota Firefighters' Association's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audits, and accordingly, I do not express such an opinion. The results of my tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 07-03.

I noted certain matters that I reported to management of the North Dakota Firefighter's Association in a separate letter dated December 10, 2007.

The North Dakota Firefighters' Association's response to the findings identified in my audits are described in the accompanying schedule of findings and questioned costs. I did not audit the North Dakota Firefighters' Association's response and, accordingly, I express no opinion on it.

This report is intended solely for the information and use of management and the audit committee and is not intended to be and should not be used by anyone other than these specified parties.



Jason Schuh, PC
Certified Public Accountant

December 10, 2007
JS/kkm

NORTH DAKOTA FIREFIGHTER'S ASSOCIATION

Schedule of Findings and Questioned Costs

April 30, 2007 and 2006

07-01. Segregation of Duties

Condition

The North Dakota Firefighter's Association has an internal control weakness due to limited staff. This limited staff usually delegates one or two persons to collect monies, issue checks, mail checks to vendors, record receipts and disbursements in journals, maintain the general ledger, and prepare financial statements.

Recommendation

The Association should constantly be aware of this condition. The most effective controls in this situation lie in the Association's knowledge of matters related to the Association's operations. This situation is an inherent weakness in internal accounting control.

Client Response

No response is considered necessary.

07-02. Deposits Exceeding FDIC Coverage

Condition

The North Dakota Firefighter's Association has deposits with US Bank that periodically exceed FDIC coverage. The FDIC only provides up to \$100,000 of coverage for an account holder in the case of insolvency by the financial institution.

Recommendation

It is advisable that an excess deposit bond or pledged collateral from the financial institution be obtained. The Association may also want to consider moving some funds to another FDIC insured financial institution or to the Bank of North Dakota.

Client Response

The Association will look into moving some funds into another financial institution that is FDIC insured.

NORTH DAKOTA FIREFIGHTER'S ASSOCIATION
Schedule of Findings and Questioned Costs (cont.)
April 30, 2007 and 2006

07-03. Sick Pay/Employee Benefits

Condition

During my audit of payroll, I discovered a disbursement to the executive director for unused sick pay that was not included in payroll. The proper taxes were not withheld and were not included in the executive director's gross pay. I do not believe this instance of noncompliance is material.

Recommendation

All forms of compensation including vacation and sick pay should be included in wages of the employee and the proper taxes should be withheld.

Client Response

The Association has already taken steps to correct this finding.



Jason Schuh, PC
Certified Public Accountant

FINANCIAL STATEMENT

North Dakota Firefighter's Association

For the Eight-Month Period Ending

December 31, 2007



Jason Schuh, PC

Certified Public Accountant

MANAGEMENT LETTER

July 15, 2008

Board of Directors
North Dakota Firefighter's Association
P.O. Box 6127
Bismarck, ND 58506-6127

In planning and performing my audit of the financial statements of the North Dakota Firefighter's Association for the eight-month period ending December 31, 2007, I considered the Association's internal control structure to determine my auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

Proper measures are in place to assure adequate internal control. Since adding additional staff is not practicable, the most effective controls lie in the Association's knowledge of matters relating to day to day operations.

The North Dakota Firefighter's Association has deposits with US Bank that are periodically in excess of the federally insured limits. I would suggest obtaining excess deposit insurance or pledged collateral from the financial institution or moving some funds to another FDIC insured financial institution. It appears the Board has taken the appropriate steps as they have received pledged collateral in January 2008, to help insure the Association's funds.

Thank you for allowing me to be of service and I wish to express my appreciation to your staff for their fine cooperation during the course of this audit. Please call if you have any questions or if I can be of additional service.

Sincerely,

Jason Schuh, PC
Certified Public Accountant

NORTH DAKOTA FIREFIGHTER'S ASSOCIATION

Bismarck, North Dakota

December 31, 2007

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INDEPENDENT AUDITOR'S REPORT



Jason Schuh, PC

Certified Public Accountant

North Dakota Firefighter's Association
P.O. Box 6127
Bismarck, ND 58506-6127

I have audited the accompanying statement of financial position of the North Dakota Firefighter's Association (a nonprofit organization) as of December 31, 2007, and the related statements of activities and cash flows for the eight-month period then ended. These financial statements are the responsibility of the Association's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the North Dakota Firefighter's Association as of December 31, 2007, and the changes in its net assets and its cash flows for the eight-month period then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated July 15, 2008, on my consideration of the North Dakota Firefighters' Association's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of my audit.

Jason Schuh, PC
Certified Public Accountant

July 15, 2008

NORTH DAKOTA FIREFIGHTER'S ASSOCIATION
Statement of Financial Position
December 31, 2007

ASSETS

Cash and cash equivalents	\$ 132,073
Certificate of deposit	59,630
Accounts receivable	4,741
Interest receivable	500
Inventories	8,797
Prepaid expenses	10,546
Equipment and film library at cost less accumulated depreciation of \$130,241	<u>6,842</u>

TOTAL ASSETS

\$ 223,129

LIABILITIES

Accounts payable	\$ 839
State withholding payable	218
Employee life insurance payable	118
Deferred revenue	14,700
Agency funds	<u>8,806</u>

TOTAL LIABILITIES

\$ 24,681

NET ASSETS

Unrestricted net assets:	
Operating	<u>\$ 198,448</u>

TOTAL NET ASSETS

\$ 198,448

TOTAL LIABILITIES AND NET ASSETS

\$ 223,129

The accompanying notes are an integral part of these financial statements.

NORTH DAKOTA FIREFIGHTER'S ASSOCIATION
Statement of Activities
For the Eight-Month Period Ending December 31, 2007

UNRESTRICTED NET ASSETS

Support

IFSTA sales	\$ 4,009
Resale items	1,709
Contributions	2,400
Dues	7,158
Grants	24,124
Registrations	530
Appropriations	145,000
Testing fees	880
Other revenue	
Reimbursed expenses	20
Miscellaneous income	7,250
Interest income	<u>1,814</u>

TOTAL UNRESTRICTED SUPPORT

\$ 194,894

Net assets released from restrictions

0

TOTAL UNRESTRICTED REVENUES AND RECLASSIFICATIONS

\$ 194,894

Expenses:

Program services	\$ 21,773
Management and general	<u>84,740</u>

Total expenses

\$ 106,513

Increase (decrease) in unrestricted net assets

\$ 88,381

Temporarily Restricted Net Assets

Net assets released from restrictions \$ 0

Increase (decrease) in temporarily restricted net assets

\$ 0

Increase (decrease) in net assets

\$ 88,381

Net assets at beginning of year

110,067

Net assets at end of year

\$ 198,448

The accompanying notes are an integral part of these financial statements.

NORTH DAKOTA FIREFIGHTER'S ASSOCIATION
Statement of Cash Flows
For the Eight-Month Period Ending December 31, 2007

CASH FLOWS FROM OPERATING ACTIVITIES

Increase (decrease) in net assets	\$ 88,381
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities	
Donated equipment	(2,400)
Depreciation	4,056
(Gain) loss on disposal of equipment	131
(Increase) decrease in:	
Interest receivable	(148)
Accounts receivable	3,011
Inventory	446
Prepaid expenses	(2,882)
Increase (decrease) in:	
Accrued expenses	32
Accounts payable	(10,002)
Deferred revenue	7,217
Agency funds	<u>(726)</u>

CASH PROVIDED (USED) BY OPERATING ACTIVITIES

\$ 87,116

CASH FLOWS FROM INVESTING ACTIVITIES:

Acquisition of property and equipment	\$ (143)
Increase in certificate of deposit	<u>(1,338)</u>

NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES

\$ (1,481)

NET INCREASE (DECREASE) IN CASH AND CASH
EQUIVALENTS

\$ 85,635

BEGINNING CASH AND CASH EQUIVALENTS

46,438

ENDING CASH AND CASH EQUIVALENTS

\$ 132,073

Supplemental Data:

Interest paid	<u>\$ 47</u>
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The accompanying notes are an integral part of these financial statements.

NORTH DAKOTA FIREFIGHTER'S ASSOCIATION
Notes to Financial Statements
December 31, 2007

NOTE 1: Summary of Significant Accounting Policies

a. Basis of Accounting

The financial statements of the North Dakota Firefighter's Association have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

b. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Association is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

c. Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months.

d. Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions.

NORTH DAKOTA FIREFIGHTER'S ASSOCIATION
Notes to Financial Statements
December 31, 2007

NOTE 1: Summary of Significant Accounting Policies (cont.)

e. Income Taxes

The Association is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and by virtue thereof is also exempt from North Dakota state income taxes.

f. Nature of Operations

According to Chapter 18-03 of the North Dakota Century Code, The North Dakota Firefighter's Association consists of the various organized fire departments within the state. Each fire department within the state is entitled to membership in the Association upon compliance with the constitution and by-laws thereof.

g. Film Library and Equipment

The film library and equipment is recorded at actual cost. Donated equipment is recorded at fair market value. The Association has no capitalization policy. Depreciation is computed using primarily the straight-line method. The useful life of the films and equipment range from five to seven years. Film library and equipment at December 31, 2007 consisted of the following:

	<u>12/31/2007</u>
Film library	\$ 83,682
Equipment	53,401
Accumulated depreciation	<u>(130,241)</u>
	<u>\$ 6,842</u>

h. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

NORTH DAKOTA FIREFIGHTER'S ASSOCIATION
Notes to Financial Statements
December 31, 2007

NOTE 1: Summary of Significant Accounting Policies (cont.)

i. Deferred Revenue

Local fire departments pay an annual membership due to belong to the Association for the calendar year. The amount as of December 31 represents amounts to be recognized as income when earned in the following year.

NOTE 2: Investments

Investments as of December 31, 2007 are stated at cost and consists of the following:

	<u>12/31/2007</u>
CD - US Bank	<u>\$ 59,630</u>

NOTE 3: Accounts Receivable

All accounts receivable were deemed to be fully collectible. Any account deemed uncollectible is charged to operations in the year it is deemed uncollectible. The amounts deemed uncollectible have historically been insignificant.

The accounts receivables as of December 31, 2007, are summarized as follows:

	<u>12/31/2007</u>
Dues	\$ 2,575.00
Library Usage Fees	1,600.00
IFSTA Materials	351.00
Mailing Labels	15.00
Testing Fee	<u>200.00</u>
	<u>\$ 4,741.00</u>

NOTE 4: Interest Receivable

Interest receivable consists of the interest accrued on the certificate of deposit as of December 31st.

NORTH DAKOTA FIREFIGHTER'S ASSOCIATION
Notes to Financial Statements
December 31, 2007

NOTE 5: Inventory

Inventory is stated at the lower of cost or market value. Cost is determined using the specific identification method. Inventory consists of the following as of December 31, 2007:

	<u>12/31/2007</u>
Vet Pins	\$ 6,161.00
Banks	1,050.00
Patches and Rockers	<u>1,586.04</u>
	<u>\$ 8,797.04</u>

NOTE 6: Concentration of Credit Risk

The North Dakota Firefighter's Association maintains its cash balances in two financial institutions located in Bismarck, ND. The balances at each financial institution are insured by the Federal Deposit Insurance Corporation up to \$100,000. As of December 31, 2007, the uninsured cash balance was \$36,325.

NOTE 7: Retirement Arrangements

The Association has a Simple-IRA plan for all eligible employees to participate in. If the employee decides to participate in the plan, he or she must contribute to the plan, with the Association contributing up to 3% of each employee's eligible compensation. The expense to the Association for the eight-month period ending December 31, 2007 was \$1,031.

NOTE 8: Existence of Concentration in Support Received

The Association receives approximately 53% of its support over a 12-month period from the State of North Dakota. In the event that this support were to be eliminated, it is likely that the Association would need to reduce its current operations. The Association does not expect in any way that the support from this governmental agency will be lost in the near term.

NORTH DAKOTA FIREFIGHTER'S ASSOCIATION

Notes to Financial Statements

December 31, 2007

NOTE 9: Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE 10: Agency Funds

The North Dakota Firefighter's Association acts as a trustee for the ND Fire Prevention Association to help administer their Risk Watch Program. Any unspent grant funds are shown as a liability on the statement of financial position.

NOTE 11: Lease

The North Dakota Firefighter's Association entered into a lease agreement on March 13, 2002 with SFM, LLP for the use of office space in Bismarck, North Dakota. The lease requires monthly payments of \$856. The lease expired on March 31, 2007 and were on a month-to-month lease for the remainder of their time at that location. The Association moved into a new location commencing June 1, 2007. The new lease with the Bismarck Rural Fire Protection District is a three year lease in which monthly rent payments are to be \$1,050. Total rent expense under these operating leases for the eight-month period ending December 31, 2007, was \$8,206. Future minimum rental payments required under the operating lease are as follows:

		<u>12/31/2007</u>
Year ended December 31		
	2008	\$ 12,600
	2009	<u>12,600</u>
	Total	<u>\$ 25,200</u>

NOTE 12: Donated Equipment

During the audit period, the Association received a donation of (3) oak desks from the USDA. The desks have a fair market value of \$2,400. The amount has been recognized as contribution revenue on the statement of activities.



INDEPENDENT AUDITOR'S REPORT
ON ADDITIONAL INFORMATION

Jason Schuh, PC
Certified Public Accountant

Board of Directors
North Dakota Firefighter's Association
P.O. Box 6127
Bismarck, North Dakota 58506-6127

My report on my audit of the basic financial statements of the North Dakota Firefighter's Association for the eight-month period ending December 31, 2007, appears on page 2. The audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Jason Schuh, PC
Certified Public Accountant

July 15, 2008

JS/ts

See accompanying notes and accountant's report

NORTH DAKOTA FIREFIGHTER'S ASSOCIATION
Schedule of Functional Expenses
For the Eight-Month Period Ending December 31, 2007

Program Services	\$ 3,121
State school	4,340
Regional schools	866
Certification expenses	2,428
Training library	4,133
Training materials	6,885
Grant expense	
	<u>\$ 21,773</u>
Management and General	\$ 11,585
Office expense	9,367
Annual convention	6,423
Conferences	356
Bank charges	1,468
Insurance	47
Interest expense	433
Dues and subscriptions	39,802
Salaries	1,554
Employee benefits	3,364
Executive board expense	2,479
Professional fees	212
Repairs	3,017
Payroll taxes	446
Items for resale	4,056
Depreciation	131
Loss on disposal of equipment	
	<u>\$ 84,740</u>
Total expenses	<u>\$ 106,513</u>

The accompanying notes are an integral part of these financial statements



Jason Schuh, PC

Certified Public Accountant

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

North Dakota Firefighter's Association
P.O. Box 6127
Bismarck, ND 58506-6127

I have audited the financial statements of the North Dakota Firefighter's Association (a nonprofit organization) as of and for the eight-month period ending December 31, 2007, and have issued my report thereon dated July 15, 2008. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the North Dakota Firefighters' Association's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the North Dakota Firefighters' Association's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Association's internal control over financial reporting.

My consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, I identified certain deficiencies in internal control over financial reporting that I consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the North Dakota Firefighters' Association's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the association's financial

statements that is more than inconsequential will not be prevented or detected by the association's internal control. I consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 07-01 and 07-02 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the association's internal control.

My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, I believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the North Dakota Firefighters' Association's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

I noted certain matters that I reported to management of the North Dakota Firefighter's Association in a separate letter dated July 15, 2008.

The North Dakota Firefighters' Association's response to the findings identified in my audit is described in the accompanying schedule of findings and questioned costs. I did not audit the North Dakota Firefighters' Association's response and, accordingly, I express no opinion on it.

This report is intended solely for the information and use of management, others within the entity, and the Board of Directors and is not intended to be and should not be used by anyone other than these specified parties.



Jason Schuh, PC
Certified Public Accountant

July 15, 2008
JS/ts

NORTH DAKOTA FIREFIGHTER'S ASSOCIATION
Schedule of Findings and Questioned Costs
December 31, 2007

07-01. Segregation of Duties

Condition

The North Dakota Firefighter's Association has an internal control weakness due to limited staff. This limited staff usually delegates one or two persons to collect monies, issue checks, mail checks to vendors, record receipts and disbursements in journals, maintain the general ledger, and prepare financial statements.

Recommendation

The Association should constantly be aware of this condition. The most effective controls in this situation lie in the Association's knowledge of matters related to the Association's operations. This situation is an inherent weakness in internal accounting control.

Client Response

No response is considered necessary.

07-02. Deposits Exceeding FDIC Coverage

Condition

The North Dakota Firefighter's Association has deposits with US Bank that periodically exceed FDIC coverage. The FDIC only provides up to \$100,000 of coverage for an account holder in the case of insolvency by the financial institution.

Recommendation

It is advisable that an excess deposit bond or pledged collateral from the financial institution be obtained. The Association may also want to consider moving some funds to another FDIC insured financial institution or to the Bank of North Dakota.

Client Response

In January 2008, The Association received pledged collateral from US Bank to help insure their deposits.



Jason Schuh, PC
Certified Public Accountant

FINANCIAL STATEMENT

North Dakota Firefighter's Association

For the Years Ended

April 30, 2006 and 2005

NORTH DAKOTA FIREFIGHTER'S ASSOCIATION

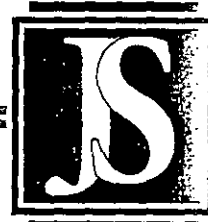
Bismarck, North Dakota

April 30, 2006 and 2005

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INDEPENDENT AUDITOR'S REPORT



Jason Schuh, PC

Certified Public Accountant

Board of Directors
North Dakota Firefighter's Association
P.O. Box 6127
Bismarck, ND 58506-6127

I have audited the accompanying statements of financial position of the North Dakota Firefighter's Association (a nonprofit organization) as of April 30, 2006 and 2005, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Association's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the North Dakota Firefighter's Association as of April 30, 2006 and 2005, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated November 14, 2006, on my consideration of the North Dakota Firefighter's Association's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audits.

Jason Schuh, PC
Certified Public Accountant

November 14, 2006

NORTH DAKOTA FIREFIGHTER'S ASSOCIATION
Statements of Financial Position
April 30, 2006 and 2005

	<u>2006</u>	<u>2005</u>
ASSETS		
Cash and cash equivalents	\$ 67,048	\$ 119,831
Certificate of deposit	55,756	54,000
Accounts receivable	1,364	2,388
Interest receivable	284	275
Inventories	8,302	8,924
Prepaid expenses	7,175	7,728
Equipment and film library at cost less accumulated depreciation of \$123,783 for 2006 and \$120,657 for 2005	<u>16,922</u>	<u>24,714</u>
TOTAL ASSETS	<u>\$ 156,851</u>	<u>\$ 217,860</u>
LIABILITIES		
Accounts payable	\$ 8,266	\$ 8,294
ND state withholding payable	70	66
Employee life insurance payable	179	237
Deferred revenue	<u>7,567</u>	<u>7,867</u>
TOTAL LIABILITIES	<u>\$ 16,082</u>	<u>\$ 16,464</u>
NET ASSETS		
Unrestricted net assets: Operating	<u>\$ 140,769</u>	<u>\$ 201,396</u>
TOTAL NET ASSETS	<u>\$ 140,769</u>	<u>\$ 201,396</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 156,851</u>	<u>\$ 217,860</u>

The accompanying notes are an integral part of these financial statements.

NORTH DAKOTA FIREFIGHTER'S ASSOCIATION
Statements of Activities
For the Years Ended April 30, 2006 and 2005

	<u>2006</u>	<u>2005</u>
UNRESTRICTED NET ASSETS		
Support		
IFSTA sales	\$ 13,318	\$ 18,575
Resale items	6,294	6,344
Dues	11,450	11,308
Grants	22,792	35,858
Registrations	21,039	20,670
Appropriations	123,424	115,000
Testing fees	6,320	3,955
Other revenue		
Reimbursed expenses	5,713	13,803
Miscellaneous income	2,125	300
Gain on disposal of equipment	100	0
Interest income	<u>2,857</u>	<u>3,792</u>
TOTAL UNRESTRICTED SUPPORT	\$ 215,432	\$ 229,605
Assets released from restrictions		
Restrictions satisfied by payments	<u>0</u>	<u>1,010</u>
TOTAL UNRESTRICTED REVENUES AND RECLASSIFICATIONS	\$ 215,432	\$ 230,615
Expenses:		
Program services	\$ 140,207	\$ 112,287
Management and general	<u>135,852</u>	<u>128,848</u>
Total expenses	\$ 276,059	\$ 241,135
Increase (decrease) in unrestricted net assets	\$ (60,627)	\$ (10,520)
Temporarily Restricted Net Assets		
Net assets released from restrictions	<u>\$ 0</u>	<u>\$ (1,010)</u>
Increase (decrease) in temporarily restricted net assets	\$ 0	\$ (1,010)
Increase (decrease) in net assets	\$ (60,627)	\$ (11,530)
Net assets at beginning of year	<u>201,396</u>	<u>212,926</u>
Net assets at end of year	\$ 140,769	\$ 201,396

The accompanying notes are an integral part of these financial statements.

NORTH DAKOTA FIREFIGHTER'S ASSOCIATION
Statements of Cash Flows
For the Years Ended April 30, 2006 and 2005

	2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ (60,627)	\$ (11,530)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities		
Depreciation	9,380	10,125
(Gain) loss on disposal of equipment	(100)	84
(Increase) decrease in:		
Interest receivable	(9)	401
Accounts receivable	1,024	(881)
Inventory	622	(1,082)
Prepaid expenses	553	1,772
Increase (decrease) in:		
Accrued expenses	(54)	0
Accounts payable	(28)	4,013
Deferred revenue	(300)	267
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (49,539)	\$ 3,169
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of property and equipment	\$ 100	\$ 0
Acquisition of property and equipment	(1,588)	(3,688)
Increase in certificate of deposit	(1,756)	0
Change in temporarily restricted cash and cash equivalents	0	1,010
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	\$ (3,244)	\$ (2,678)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (52,783)	\$ 491
BEGINNING CASH AND CASH EQUIVALENTS	119,831	119,340
ENDING CASH AND CASH EQUIVALENTS	\$ 67,048	\$ 119,831
Supplemental Data:		
Interest paid	\$ 342	\$ 359

The accompanying notes are an integral part of these financial statements.

NORTH DAKOTA FIREFIGHTER'S ASSOCIATION

Notes to Financial Statements

April 30, 2006 and 2005

NOTE 1: Summary of Significant Accounting Policies

a. Basis of Accounting

The financial statements of the North Dakota Firefighter's Association have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

b. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Association is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

c. Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months.

d. Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions.

NORTH DAKOTA FIREFIGHTER'S ASSOCIATION
Notes to Financial Statements
April 30, 2006 and 2005

NOTE 1: Summary of Significant Accounting Policies (cont.)

e. Income Taxes

The Association is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and by virtue thereof is also exempt from North Dakota state income taxes.

f. Nature of Operations

According to Chapter 18-03 of the North Dakota Century Code, The North Dakota Firefighter's Association consists of the various organized fire departments within the state. Each fire department within the state is entitled to membership in the Association upon compliance with the constitution and by-laws thereof.

Four or more regional fire schools are held annually under the direction of the Association. The schools are held at such times and in such places in North Dakota as may be designated by the North Dakota Firefighter's Association at its annual state convention.

g. Film Library and Equipment

The film library and equipment is recorded at actual cost. The Association has no capitalization policy. Depreciation is computed using primarily the straight-line method. The useful life of the films and equipment range from five to seven years. Film library and equipment at April 30, 2006 and 2005 consisted of the following:

	<u>4/30/2006</u>	<u>4/30/2005</u>
Film library	\$ 83,539	\$ 83,515
Equipment	57,166	61,856
Accumulated depreciation	<u>(123,783)</u>	<u>(120,657)</u>
	<u>\$ 16,922</u>	<u>\$ 24,714</u>

h. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

NORTH DAKOTA FIREFIGHTER'S ASSOCIATION

Notes to Financial Statements

April 30, 2006 and 2005

NOTE 1: Summary of Significant Accounting Policies (cont.)

i. Deferred Revenue

Local fire departments pay an annual membership due to belong to the Association for the calander year. The amount as of April 30th represents amounts to be recognized as income when earned in the following fiscal year.

NOTE 2: Investments

Investments as of April 30, 2006 and 2005 are stated at cost and consists of the following:

	<u>4/30/2006</u>	<u>4/30/2005</u>
CD - US Bank	\$ 55,756	\$ 54,000

NOTE 3: Accounts Receivable

All accounts receivable were deemed to be fully collectible. Any account deemed uncollectible is charged to operations in the year it is deemed uncollectible. The amounts deemed uncollectible have historically been insignificant.

The accounts receivables as of April 30, 2006 and 2005, respectively, are summarized as follows:

	<u>4/30/2006</u>	<u>4/30/2005</u>
Dues	\$ 225.00	\$ 200.00
IFSTA Materials	229.49	1,202.50
Banks	70.00	-0-
Registration	100.00	130.00
Pins	160.00	-0-
Mailing Label	-0-	15.00
Testing Fee	580.00	840.00
	<u>\$ 1,364.49</u>	<u>\$ 2,387.50</u>

NOTE 4: Interest Receivable

Interest receivable consists of the interest accrued on the certificate of deposit as of April 30th.

NORTH DAKOTA FIREFIGHTER'S ASSOCIATION

Notes to Financial Statements

April 30, 2006 and 2005

NOTE 5: Inventory

Inventory is stated at the lower of cost or market value. Cost is determined using the specific identification method. Inventory consists of the following as of April 30, 2006 and 2005, respectively:

	<u>4/30/2006</u>	<u>4/30/2005</u>
Vet Pins	\$ 6,265.00	\$ 6,970.00
Patches and Rockers	<u>2,037.18</u>	<u>1,953.72</u>
	<u>\$ 8,302.18</u>	<u>\$ 8,923.72</u>

NOTE 6: Concentration of Credit Risk

The North Dakota Firefighter's Association maintains its cash balances in two financial institutions located in Bismarck, ND. The balances at each financial institution are insured by the Federal Deposit Insurance Corporation up to \$100,000. As of April 30, 2006, none of the cash balances exceeded this limit. As of April 30, 2005, the uninsured cash balance was \$32,924.

NOTE 7: Retirement Arrangements

The Association has a Simple-IRA plan for all eligible employees to participate in. If the employee decides to participate in the plan, he or she must contribute to the plan, with the Association contributing up to 3% of each employee's eligible compensation. The expense to the Association for the fiscal years ended April 30, 2006 and 2005, was \$1,447 and \$1,369, respectively.

NOTE 8: Existence of Concentration in Support Received

The Association receives approximately 55% of its support from the State of North Dakota. In the event that this support were to be eliminated, it is likely that the Association would need to reduce its current operations. The Association does not expect in any way that the support from this governmental agency will be lost in the near term.

NORTH DAKOTA FIREFIGHTER'S ASSOCIATION

Notes to Financial Statements

April 30, 2006 and 2005

NOTE 9: Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE 10: Lease

The North Dakota Firefighter's Association entered into a lease agreement on March 13, 2002 with SFM, LLP for the use of office space in Bismarck, North Dakota. The lease requires monthly payments of \$856. The lease term is for five years with an option to renew subject to landlord's approval. Total rent expense under this operating lease for the years ended April 30, 2006 and 2005 was \$10,272 and \$10,272, respectively. Future minimum rental payments required under the operating lease are as follows:

	<u>4/30/2006</u>	<u>4/30/2005</u>
Year ended April 30		
2006	\$ -0-	\$ 10,272
2007	<u>9,416</u>	<u>9,416</u>
Total	<u>\$ 9,416</u>	<u>\$ 19,688</u>



Jason Schuh, PC

Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT
ON ADDITIONAL INFORMATION

Board of Directors
North Dakota Firefighter's Association
P.O. Box 6127
Bismarck, North Dakota 58506-6127

My report on my audits of the basic financial statements of the North Dakota Firefighter's Association for the years ended April 30, 2006 and 2005, appears on page 2. Those audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules of functional expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Jason Schuh, PC
Certified Public Accountant

November 14, 2006

JS/lal

See accompanying notes and accountant's report.

NORTH DAKOTA FIREFIGHTER'S ASSOCIATION
Schedules of Functional Expenses
For the Years Ended April 30, 2006 and 2005

	<u>2006</u>	<u>2005</u>
Program Services		
Federal grant expense	\$ 676	\$ 1,010
State school	92,471	55,256
Regional schools	16,710	20,310
Certification expenses	9,678	5,726
Training library	3,240	5,275
Training materials	12,432	18,710
Grant expense	<u>5,000</u>	<u>6,000</u>
	<u>\$ 140,207</u>	<u>\$ 112,287</u>
Management and General		
Office expense	\$ 15,232	\$ 16,113
Annual convention	7,752	7,440
Conferences	15,711	15,323
Bank charges	296	355
Insurance	2,722	2,944
Interest expense	342	359
Postages and subscriptions	542	492
Salaries	55,928	53,432
Employee benefits	2,721	2,414
Executive board expense	9,148	7,400
Professional fees	4,224	2,585
Repairs	1,385	2,006
Payroll taxes	4,240	4,065
Items for resale	5,729	3,711
Miscellaneous	500	0
Depreciation	9,380	10,125
Loss on disposal of equipment	<u>0</u>	<u>84</u>
	<u>\$ 135,852</u>	<u>\$ 128,848</u>
Total expenses	<u>\$ 276,059</u>	<u>\$ 241,135</u>

The accompanying notes are an integral part of these financial statements.



Jason Schuh, PC

Certified Public Accountant

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

North Dakota Firefighter's Association
P.O. Box 6127
Bismarck, ND 58506-6127

I have audited the financial statements of the North Dakota Firefighter's Association (a nonprofit organization) as of and for the years ended April 30, 2006 and 2005, and have issued my report thereon dated November 14, 2006. I conducted my audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

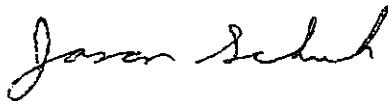
In planning and performing my audits, I considered the North Dakota Firefighters Association's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect the North Dakota Firefighters Association's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 06-01 and 06-02.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I believe that none of the reportable conditions described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the North Dakota Firefighters Association's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audits, and accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 06-03 and 06-04.

This report is intended solely for the information and use of the audit committee and management and is not intended to be and should not be used by anyone other than these specified parties.



Jason Schuh, PC
Certified Public Accountant

November 14, 2006

JJS/lal

NORTH DAKOTA FIREFIGHTER'S ASSOCIATION
Schedule of Findings and Questioned Costs
April 30, 2006 and 2005

06-01. Segregation of Duties

Condition

The North Dakota Firefighter's Association has an internal control weakness due to limited staff. This limited staff usually delegates one or two persons to collect monies, issue checks, mail checks to vendors, record receipts and disbursements in journals, maintain the general ledger, and prepare financial statements.

Recommendation

The Association should constantly be aware of this condition. The most effective controls in this situation lie in the Association's knowledge of matters related to the Association's operations. This situation is an inherent weakness in internal accounting control.

Client Response

No response is considered necessary.

06-02. Deposits Exceeding FDIC Coverage

Condition

The North Dakota Firefighter's Association has deposits with US Bank that periodically exceed FDIC coverage. The FDIC only provides up to \$100,000 of coverage for an account holder in the case of insolvency by the financial institution.

Recommendation

It is advisable that an excess deposit bond or pledged collateral from the financial institution be obtained. The Association may also want to consider moving some funds to another FDIC insured financial institution or to the Bank of North Dakota.

Client Response

No response is considered necessary.

NORTH DAKOTA FIREFIGHTER'S ASSOCIATION
Schedule of Findings and Questioned Costs (cont.)
April 30, 2006 and 2005

06-03. Employee Overtime Pay

Condition

During my audit of payroll, I found an instance of no overtime being paid to an employee who had worked over the 40 hour requirement. I do not believe this instance of noncompliance is material.

Recommendation

Management should adopt procedures to accurately calculate any possible overtime pay for an employee.

Client Response

Management has agreed to adopt the recommendation immediately.

06-04. Sick Pay/Employee Benefits

Condition

Also, during my audit of payroll, I discovered a disbursement to the executive director for unused sick pay that was not included in payroll. The proper taxes were not withheld and were not included in the executive director's gross pay. I do not believe this instance of noncompliance is material.

Recommendation

All forms of compensation including vacation and sick pay should be included in wages of the employee and the proper taxes should be withheld.

Client Response

No response is considered necessary.



Jason Schuh, PC

Certified Public Accountant

FINANCIAL STATEMENT

North Dakota Firefighter's Association

For the Year Ended

April 30, 2004

JASON SCHUH, PC Certified Public Accountant
215 Airp

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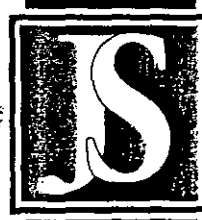
Jason Schuh, PC
Certified Public Accountant

FINANCIAL STATEMENT

North Dakota Firefighter's Association

For the Years Ended

April 30, 2007 and 2006



MANAGEMENT LETTER

December 10, 2007

Jason Schuh, PC

Certified Public Accountant

Board of Directors
North Dakota Firefighter's Association
P.O. Box 6127
Bismarck, ND 58506-6127

In planning and performing my audit of the financial statements of the North Dakota Firefighter's Association for the year ended April 30, 2007, I considered the Association's internal control structure to determine my auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

Proper measures are in place to assure adequate internal control. Since adding additional staff is not practicable, the most effective controls lie in the Association's knowledge of matters relating to day to day operations.

The North Dakota Firefighter's Association has deposits with US Bank that are periodically in excess of the federally insured limits. I would suggest obtaining excess deposit insurance or pledged collateral from the financial institution or moving some funds to another FDIC insured financial institution.

Greater care should be exercised in the preparation of payroll. A disbursement was made to an employee for unused sick pay and was not included in the employee's gross wages and did not have the proper taxes withheld.

Thank you for allowing me to be of service and I wish to express my appreciation to your staff for their fine cooperation during the course of this audit. Please call if you have any questions or if I can be of additional service.

Sincerely,

Jason Schuh, PC
Certified Public Accountant

NORTH DAKOTA FIREFIGHTER'S ASSOCIATION

Bismarck, North Dakota

April 30, 2007 and 2006

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INDEPENDENT AUDITOR'S REPORT

Jason Schuh, PC

Certified Public Accountant

North Dakota Firefighter's Association
P.O. Box 6127
Bismarck, ND 58506-6127

I have audited the accompanying statements of financial position of the North Dakota Firefighter's Association (a nonprofit organization) as of April 30, 2007 and 2006, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Association's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the North Dakota Firefighter's Association as of April 30, 2007 and 2006, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated December 10, 2007, on my consideration of the North Dakota Firefighters' Association's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audits.

Jason Schuh, PC
Certified Public Accountant

December 10, 2007

NORTH DAKOTA FIREFIGHTER'S ASSOCIATION
Statements of Financial Position
April 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
ASSETS		
Cash and cash equivalents	\$ 46,438	\$ 67,048
Certificate of deposit	58,292	55,756
Accounts receivable	7,752	1,364
Interest receivable	352	284
Inventories	9,243	8,302
Prepaid expenses	7,664	7,175
Equipment and film library at cost less accumulated depreciation of \$132,219 for 2007 and \$123,783 for 2006	<u>8,486</u>	<u>16,922</u>
TOTAL ASSETS	<u><u>\$ 138,227</u></u>	<u><u>\$ 156,851</u></u>
LIABILITIES		
Accounts payable	\$ 10,841	\$ 8,266
ND state withholding payable	67	70
Employee life insurance payable	237	179
Deferred revenue	7,483	7,567
Agency funds	<u>9,532</u>	<u>0</u>
TOTAL LIABILITIES	<u><u>\$ 28,160</u></u>	<u><u>\$ 16,082</u></u>
NET ASSETS		
Unrestricted net assets:		
Operating	<u>\$ 110,067</u>	<u>\$ 140,769</u>
TOTAL NET ASSETS	<u><u>\$ 110,067</u></u>	<u><u>\$ 140,769</u></u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 138,227</u></u>	<u><u>\$ 156,851</u></u>

The accompanying notes are an integral part of these financial statements.

NORTH DAKOTA FIREFIGHTER'S ASSOCIATION
Statements of Activities
For the Years Ended April 30, 2007 and 2006

UNRESTRICTED NET ASSETS	2007	2006
Support		
IFSTA sales	\$ 15,848	\$ 13,318
Resale items	4,888	6,294
Dues	11,083	11,450
Grants	3,218	22,792
Registrations	46,900	21,039
Appropriations	123,416	123,424
Testing fees	5,870	6,320
Other revenue		
Reimbursed expenses	13,479	5,713
Miscellaneous income	6,027	2,125
Gain on disposal of equipment	0	100
Interest income	3,713	2,857
TOTAL UNRESTRICTED SUPPORT	\$ 234,442	\$ 215,432
Net assets released from restrictions		
Restrictions satisfied by payments	0	0
TOTAL UNRESTRICTED REVENUES AND RECLASSIFICATIONS	\$ 234,442	\$ 215,432
Expenses:		
Program services	\$ 133,512	\$ 140,207
Management and general	131,632	135,852
Total expenses	\$ 265,144	\$ 276,059
Increase (decrease) in unrestricted net assets	\$ (30,702)	\$ (60,627)
Temporarily Restricted Net Assets		
Net assets released from restrictions	\$ 0	\$ 0
Increase (decrease) in temporarily restricted net assets	\$ 0	\$ 0
Increase (decrease) in net assets	\$ (30,702)	\$ (60,627)
Net assets at beginning of year	140,769	201,396
Net assets at end of year	\$ 110,067	\$ 140,769

The accompanying notes are an integral part of these financial statements.

NORTH DAKOTA FIREFIGHTER'S ASSOCIATION
Statements of Cash Flows
For the Years Ended April 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ (30,702)	\$ (60,627)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities		
Depreciation	8,436	9,380
(Gain) loss on disposal of equipment	0	(100)
(Increase) decrease in:		
Interest receivable	(68)	(9)
Accounts receivable	(6,388)	1,024
Inventory	(941)	622
Prepaid expenses	(489)	553
Increase (decrease) in:		
Accrued expenses	55	(54)
Accounts payable	2,575	(28)
Deferred revenue	(84)	(300)
Agency funds	<u>9,532</u>	<u>0</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (18,074)</u>	<u>\$ (49,539)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of property and equipment	\$ 0	\$ 100
Acquisition of property and equipment	0	(1,588)
Increase in certificate of deposit	<u>(2,536)</u>	<u>(1,756)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>\$ (2,536)</u>	<u>\$ (3,244)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>\$ (20,610)</u>	<u>\$ (52,783)</u>
BEGINNING CASH AND CASH EQUIVALENTS	<u>67,048</u>	<u>119,831</u>
ENDING CASH AND CASH EQUIVALENTS	<u><u>\$ 46,438</u></u>	<u><u>\$ 67,048</u></u>
Supplemental Data:		
Interest paid	<u>\$ 504</u>	<u>\$ 342</u>

The accompanying notes are an integral part of these financial statements.

NORTH DAKOTA FIREFIGHTER'S ASSOCIATION
Notes to Financial Statements
April 30, 2007 and 2006

NOTE 1: Summary of Significant Accounting Policies

a. Basis of Accounting

The financial statements of the North Dakota Firefighter's Association have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

b. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Association is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

c. Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months.

d. Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions.

NORTH DAKOTA FIREFIGHTER'S ASSOCIATION

Notes to Financial Statements

April 30, 2007 and 2006

NOTE 1: Summary of Significant Accounting Policies (cont.)

e. Income Taxes

The Association is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and by virtue thereof is also exempt from North Dakota state income taxes.

f. Nature of Operations

According to Chapter 18-03 of the North Dakota Century Code, The North Dakota Firefighter's Association consists of the various organized fire departments within the state. Each fire department within the state is entitled to membership in the Association upon compliance with the constitution and by-laws thereof.

g. Film Library and Equipment

The film library and equipment is recorded at actual cost. The Association has no capitalization policy. Depreciation is computed using primarily the straight-line method. The useful life of the films and equipment range from five to seven years. Film library and equipment at April 30, 2007 and 2006 consisted of the following:

	<u>4/30/2007</u>	<u>4/30/2006</u>
Film library	\$ 83,539	\$ 83,539
Equipment	57,166	57,166
Accumulated depreciation	<u>(132,219)</u>	<u>(123,783)</u>
	<u>\$ 8,486</u>	<u>\$ 16,922</u>

h. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

NORTH DAKOTA FIREFIGHTER'S ASSOCIATION
Notes to Financial Statements
April 30, 2007 and 2006

NOTE 1: Summary of Significant Accounting Policies (cont.)

i. Deferred Revenue

Local fire departments pay an annual membership due to belong to the Association for the calendar year. The amount as of April 30th represents amounts to be recognized as income when earned in the following fiscal year.

NOTE 2: Investments

Investments as of April 30, 2007 and 2006 are stated at cost and consists of the following:

	<u>4/30/2007</u>	<u>4/30/2006</u>
CD - US Bank	\$ 58,292	\$ 55,756

NOTE 3: Accounts Receivable

All accounts receivable were deemed to be fully collectible. Any account deemed uncollectible is charged to operations in the year it is deemed uncollectible. The amounts deemed uncollectible have historically been insignificant.

The accounts receivables as of April 30 2007, and 2006, respectively, are summarized as follows:

	<u>4/30/2007</u>	<u>4/30/2006</u>
Dues	\$ 450.00	\$ 225.00
IFSTA Materials	3,224.30	229.49
Banks	-0-	70.00
Registration	40.00	100.00
Pins	-0-	160.00
Training Grant	3,217.50	-0-
Testing Fee	820.00	580.00
	<u>\$ 7,751.80</u>	<u>\$ 1,364.49</u>

NOTE 4: Interest Receivable

Interest receivable consists of the interest accrued on the certificate of deposit as of April 30th.

NORTH DAKOTA FIREFIGHTER'S ASSOCIATION

Notes to Financial Statements

April 30, 2007 and 2006

NOTE 5: Inventory

Inventory is stated at the lower of cost or market value. Cost is determined using the specific identification method. Inventory consists of the following as of April 30, 2007 and 2006, respectively:

	<u>4/30/2007</u>	<u>4/30/2006</u>
Vet Pins	\$ 6,235.00	\$ 6,265.00
Banks	1,050.00	-0-
Patches and Rockers	<u>1,957.74</u>	<u>2,037.18</u>
	<u>\$ 9,242.74</u>	<u>\$ 8,302.18</u>

NOTE 6: Concentration of Credit Risk

The North Dakota Firefighter's Association maintains its cash balances in two financial institutions located in Bismarck, ND. The balances at each financial institution are insured by the Federal Deposit Insurance Corporation up to \$100,000. As of April 30, 2007, none of the cash balances exceeded this limit. As of April 30, 2006, none of the cash balances exceeded this limit.

NOTE 7: Retirement Arrangements

The Association has a Simple-IRA plan for all eligible employees to participate in. If the employee decides to participate in the plan, he or she must contribute to the plan, with the Association contributing up to 3% of each employee's eligible compensation. The expense to the Association for the fiscal years ended April 30, 2007 and 2006, was \$1,494 and \$1,447, respectively.

NOTE 8: Existence of Concentration in Support Received

The Association receives approximately 53% of its support from the State of North Dakota. In the event that this support were to be eliminated, it is likely that the Association would need to reduce its current operations. The Association does not expect in any way that the support from this governmental agency will be lost in the near term.

NORTH DAKOTA FIREFIGHTER'S ASSOCIATION

Notes to Financial Statements

April 30, 2007 and 2006

NOTE 9: Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE 10: Agency Funds

The North Dakota Firefighter's Association acts as a trustee for the ND Fire Prevention Association to help administer their Risk Watch Program. Any unspent grant funds are shown as a liability in the statements of financial position.

NOTE 11: Lease

The North Dakota Firefighter's Association entered into a lease agreement on March 13, 2002 with SFM, LLP for the use of office space in Bismarck, North Dakota. The lease requires monthly payments of \$856. The lease term is for five years with an option to renew subject to landlord's approval. The lease expired on March 31, 2007 and were on a month-to-month lease for the remainder of their time at that location. The Association moved into a new location commencing June 1, 2007. Total rent expense under this operating lease for the years ended April 30, 2007 and 2006 was \$10,272 and \$10,272, respectively. Future minimum rental payments required under the operating lease are as follows:

	<u>4/30/2007</u>	<u>4/30/2006</u>
Year ended April 30		
2007	\$ -0-	\$ 9,416
Total	<u>\$ -0-</u>	<u>\$ 9,416</u>



INDEPENDENT AUDITOR'S REPORT
ON ADDITIONAL INFORMATION

Jason Schuh, PC
Certified Public Accountant

Board of Directors
North Dakota Firefighter's Association
P.O. Box 6127
Bismarck, North Dakota 58506-6127

My report on my audits of the basic financial statements of the North Dakota Firefighter's Association for the years ended April 30, 2007 and 2006, appears on page 2. Those audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules of functional expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Jason Schuh, PC
Certified Public Accountant

December 10, 2007

JS/kkm

See accompanying notes and accountant's report

NORTH DAKOTA FIREFIGHTER'S ASSOCIATION

Bismarck, North Dakota

April 30, 2004

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INDEPENDENT AUDITOR'S REPORT

Jason Schuh, PC

Certified Public Accountant

Board of Directors
North Dakota Firefighter's Association
P.O. Box 6127
Bismarck, ND 58506-6127

I have audited the accompanying statement of financial position of the North Dakota Firefighter's Association (a nonprofit organization) as of April 30, 2004, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the North Dakota Firefighter's Association as of April 30, 2004, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Jason Schuh, PC
Certified Public Accountant

November 7, 2005

NORTH DAKOTA FIREFIGHTERS ASSOCIATION
Statement of Financial Position
April 30, 2004

ASSETS

Cash and cash equivalents	\$ 119,340
Restricted cash	1,010
Certificate of deposit	54,000
Accounts receivable	1,507
Interest receivable	676
Inventories	7,842
Prepaid expenses	9,500
Equipment and film library at cost less accumulated depreciation of \$115,132	<u>31,235</u>

TOTAL ASSETS \$ 225,110

LIABILITIES

Accounts payable	\$ 4,281
ND state withholding payable	66
Employee life insurance payable	237
Deferred revenue	<u>7,600</u>

TOTAL LIABILITIES \$ 12,184

NET ASSETS

Unrestricted net assets:	
Operating	\$ 133,804
Board designated	<u>78,112</u>
Total unrestricted net assets	\$ 211,916
Temporarily restricted net assets	<u>1,010</u>

TOTAL NET ASSETS \$ 212,926

TOTAL LIABILITIES AND NET ASSETS \$ 225,110

The accompanying notes are an integral part of these financial statements.

NORTH DAKOTA FIREFIGHTER'S ASSOCIATION
Statement of Activities
For the Year Ended April 30, 2004

UNRESTRICTED NET ASSETS

Support

IFSTA sales	\$ 14,507
Resale items	9,585
Dues	11,275
Grants	34,049
Registrations	18,962
Appropriations	115,000
Testing fees	3,960
Other revenue	
Reimbursed expenses	8,569
Miscellaneous income	910
Interest income	<u>4,996</u>

TOTAL UNRESTRICTED SUPPORT

\$ 221,813

Net assets released from restrictions

restrictions satisfied by payments

8,655

TOTAL UNRESTRICTED REVENUES AND RECLASSIFICATIONS

\$ 230,468

Expenses:

Program services	\$ 120,708
Management and general	<u>127,548</u>

Total expenses

\$ 248,256

Increase (decrease) in unrestricted net assets

\$ (17,788)

Temporarily Restricted Net Assets

Net assets released from restrictions

\$ (8,655)

Increase (decrease) in temporarily restricted net assets

\$ (8,655)

Increase (decrease) in net assets

\$ (26,443)

Net assets at beginning of year

239,369

Net assets at end of year

\$ 212,926

The accompanying notes are an integral part of these financial statements.

NORTH DAKOTA FIREFIGHTERS ASSOCIATION
Statement of Cash Flows
For the Year Ended April 30, 2004

CASH FLOWS FROM OPERATING ACTIVITIES

Increase (decrease) in net assets	\$ (26,443)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities	
Depreciation	11,063
(Increase) decrease in:	
Interest receivable	(8)
Accounts receivable	1,664
Inventory	1,453
Prepaid expenses	(4,418)
Increase (decrease) in:	
Accrued expenses	8
Accounts payable	(6,553)
Deferred revenue	<u>100</u>

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES

\$ (23,134)

CASH FLOWS FROM INVESTING ACTIVITIES:

Payments for property and equipment	\$ (11,882)
Change in temporarily restricted cash and cash equivalents	<u>8,655</u>

NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES

\$ (3,227)

NET INCREASE (DECREASE) IN CASH AND CASH
EQUIVALENTS

\$ (26,361)

BEGINNING CASH AND CASH EQUIVALENTS

145,701

ENDING CASH AND CASH EQUIVALENTS

\$ 119,340

Supplemental Data:

Interest paid	<u>\$ 171</u>
---------------	---------------

The accompanying notes are an integral part of these financial statements.

NORTH DAKOTA FIREFIGHTER'S ASSOCIATION

Notes to Financial Statements

April 30, 2004

NOTE 1: Summary of Significant Accounting Policies

a. Fund Accounting

The financial statements of the North Dakota Firefighter's Association have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payable and other liabilities.

b. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Association is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

c. Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months.

d. Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions.

NORTH DAKOTA FIREFIGHTER'S ASSOCIATION

Notes to Financial Statements

April 30, 2004

NOTE 1: Summary of Significant Accounting Policies (cont.)

e. Income Taxes

The Association is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and by virtue thereof is also exempt from North Dakota state income taxes.

f. Nature of Operations

According to Chapter 18-03 of the North Dakota Century Code, The North Dakota Firefighter's Association consists of the various organized fire departments within the state. Each fire department within the state is entitled to membership in the Association upon compliance with the constitution and by-laws thereof.

Four or more regional fire schools are held annually under the direction of the Association. The schools are held at such times and in such places in North Dakota as may be designated by the North Dakota Firefighter's Association at its annual state convention.

g. Film Library and Equipment

The film library and equipment is recorded at actual cost. The Association has no capitalization policy. Depreciation is computed using primarily the straight-line method. Film library and equipment at April 30, 2004 consisted of the following:

Film library	\$ 83,375
Equipment	62,992
Accumulated depreciation	<u>(115,132)</u>
	<u>\$ 31,235</u>

h. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

NORTH DAKOTA FIREFIGHTER'S ASSOCIATION

Notes to Financial Statements

April 30, 2004

NOTE 1: Summary of Significant Accounting Policies (cont.)

i. Deferred Revenue

Local fire departments pay an annual membership due to belong to the Association for the calendar year. The amount as of April 30th represents amounts to be recognized as income when earned in the following fiscal year.

NOTE 2: Investments

Investments as of April 30, 2004 are stated at cost and consist of the following:

Certificate of Deposit – Garrison State Bank	\$54,000
--	----------

NOTE 3: Accounts Receivable

All accounts receivable were deemed to be fully collectible. Any account deemed uncollectible is charged to operations in the year it is deemed uncollectible. The amounts deemed uncollectible have historically been insignificant.

The accounts receivable are summarized as follows:

Dues	\$ 225.00
IFSTA Materials	927.29
Bank Helmets	215.00
Registration	40.00
Testing Fee	<u>100.00</u>
	<u>\$1,507.29</u>

NOTE 4: Interest Receivable

Interest receivable consists of the interest accrued on the certificate of deposit as of April 30.

NORTH DAKOTA FIREFIGHTER'S ASSOCIATION

Notes to Financial Statements

April 30, 2004

NOTE 5: Inventory

Inventory is stated at the lower of cost or market value. Cost is determined using the specific identification method. Inventory consists of the following:

Vet Pins	\$5,819.00
Patches and Rockers	<u>2,022.48</u>
	<u>\$7,841.48</u>

NOTE 6: Concentration of Credit Risk

The North Dakota Firefighter's Association maintains its cash balances in three financial institutions located throughout the state. The balances at each financial institution are insured by the Federal Deposit Insurance Corporation up to \$100,000. As of April 30, 2004, none of the cash balances exceeded this limit.

NOTE 7: Retirement Arrangements

The Association has a Simple-IRA plan for all eligible employees to participate in. If the employee decides to participate in the plan, he or she must contribute to the plan, with the Association contributing up to 3% of each employee's eligible compensation. The expense to the Association for the fiscal year ended April 30, 2004, was \$1,315.

NOTE 8: Restricted Cash

Restricted cash represents the amount of available cash that has been restricted by FEMA for use in providing terrorism training and grants to fire departments located throughout the state.

NOTE 9: Board Designated Net Assets

The amount set aside from unrestricted net assets by the Board represents available net assets to be used in the Association's Certification and Training Program.

NORTH DAKOTA FIREFIGHTER'S ASSOCIATION

Notes to Financial Statements

April 30, 2004

NOTE 10: Existence of Concentration in Support Received

The Association received approximately 52% of its support from the State of North Dakota. In the event that this support were to be eliminated, it is likely that the Association would need to reduce its current operations. The Association does not expect in any way that the support from this governmental agency will be lost in the near term.

NOTE 11: Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE 12: Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the purpose of terrorism training and grants.

NOTE 13: Lease

The North Dakota Firefighter's Association entered into a lease agreement on March 13, 2002 with SFM, LLP for the use of office space in Bismarck, North Dakota. The lease requires monthly payments of \$856. The lease term is for five years with an option to renew subject to landlord's approval. Total rent expense under this operating lease for the year ended April 30, 2004 was \$10,272. Future minimum rental payments required under the operating lease are as follows:

Year ended April 30

2005	\$ 10,272
2006	10,272
2007	<u>9,416</u>
Total	<u>\$ 29,960</u>



Jason Schuh, PC

Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT
ON ADDITIONAL INFORMATION

Board of Directors
North Dakota Firefighter's Association
P.O. Box 6127
Bismarck, North Dakota 58506-6127

My report on my audit of the basic financial statements of the North Dakota Firefighter's Association for the year ended April 30, 2004, appears on page 2. I conducted my audit in accordance with auditing standards generally accepted in the United States of America for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Jason Schuh, PC
Certified Public Accountant

November 7, 2005

JS/lal

See accompanying notes and accountant's report.

NORTH DAKOTA FIREFIGHTERS ASSOCIATION
Schedule of Functional Expenses
For the Year Ended April 30, 2004

Program Services

Federal grant expense	\$ 29,438
State school	62,978
Regional schools	8,082
Certification expenses	5,238
Training library	2,080
Training materials	<u>12,892</u>

\$ 120,708

Management and General

Office expense	\$ 16,824
Annual convention	9,411
Conferences	5,124
Bank charges	204
Insurance	2,491
Interest expense	171
Postages and subscriptions	475
Salaries	52,544
Employee benefits	2,360
Executive board expense	12,600
Professional fees	1,653
Repairs	1,211
Payroll taxes	3,997
Items for resale	7,420
Depreciation	<u>11,063</u>

\$ 127,548

Total expenses

\$ 248,256

The accompanying notes are an integral part of these financial statements.

**ND INSURANCE DEPARTMENT
FIRE DISTRICT PAYMENTS
FOR THE FISCAL YEARS 2007 AND 2008**

FIRE DISTRICT	2007 PAYMENT	2008 PAYMENT	TOTAL PAYMENTS
ABERCROMBIE F/P DIST	4,084.27	3,661.32	7,745.59
ADAMS F/P DISTRICT	4,882.19	5,220.92	10,103.11
ALAMO F/P DISTRICT	3,865.59	4,812.18	8,677.77
ALEXANDER F/P DISTRICT	4,494.79	5,377.29	9,872.08
ALICE F/P DISTRICT	1,526.55	2,308.23	3,834.78
ALMONT F/P DISTRICT	870.14	1,425.28	2,295.42
AMBROSE FIRE DEPT	286.47	311.79	598.26
AMIDON F/P DISTRICT	1,196.89	1,662.92	2,859.81
ANAMOOSE F/P DISTRICT	3,936.32	3,848.46	7,784.78
ANETA F/P DISTRICT	4,572.86	4,011.85	8,584.71
ANTLER F/P DISTRICT	2,609.06	2,667.22	5,276.28
ANTLER FIRE DEPT	1,382.38	1,080.07	2,462.45
ARGUSVILLE F/P DIST	3,351.38	3,313.01	6,664.39
ARNEGARD F/P DISTRICT	1,891.44	2,004.84	3,896.28
ARTHUR F/P DISTRICT	5,262.28	5,982.21	11,244.49
ASHLEY FIRE DEPT	3,648.30	3,437.53	7,085.83
ASHLEY RURAL FIRE DEPT	3,286.90	6,287.35	9,574.25
BARNEY F/P DISTRICT	5,041.90	5,401.83	10,443.73
BATHGATE FIRE DEPT	361.58	433.96	795.54
BEACH FIRE DEPT	4,994.65	3,920.88	8,915.53
BELCOURT RURAL FIRE DEPT	5,690.37	6,562.14	12,252.51
BELFIELD FIRE DEPT	3,724.70	3,922.61	7,647.31
BERTHOLD F/P DISTRICT	7,669.37	8,638.61	16,307.98
BEULAH F/P DISTRICT	19,437.76	38,888.79	58,326.55
BILLINGS COUNTY F/P DIST	4,242.38	6,355.77	10,598.15
BINFORD F/P DISTRICT	4,408.09	3,471.27	7,879.36
BISBEE F/P DISTRICT	3,081.22	3,314.25	6,395.47
BISMARCK F/P DISTRICT	53,776.84	50,648.50	104,425.34
BISMARCK FIRE DEPT	223,779.42	209,667.94	433,447.36
BOTTINEAU F/P DISTRICT	11,785.33	12,095.84	23,881.17
BOTTINEAU FIRE DEPT	9,638.04	10,584.99	20,223.03
BOWBELLS F/P DISTRICT	3,173.06	3,373.31	6,546.37
BOWDON FIRE DEPT	1,024.84	818.95	1,843.79
BOWDON RURAL FIRE DEPT	5,372.20	6,029.14	11,401.34
BOWMAN FIRE DEPT	7,451.07	7,930.62	15,381.69
BOWMAN RURAL FIRE DEPT	4,884.02	4,561.82	9,445.84
BRADDOCK F/P DISTRICT	1,463.28	1,765.15	3,228.43
BROCKET-LAWTON F/P DIST	3,119.62	3,796.33	6,915.95
BUFFALO F/P DISTRICT	5,473.41	6,516.47	11,989.88
BURLINGTON FIRE DEPT	3,514.55	3,263.46	6,778.01
BURLINGTON RURAL FIRE DP	2,829.77	3,189.01	6,018.78
BUTTE F/P DISTRICT	2,631.86	2,888.65	5,520.51
BUXTON F/P DISTRICT	7,164.92	8,706.15	15,871.07
CALVIN F/P DISTRICT	3,030.23	3,421.36	6,451.59
CANDO F/P DISTRICT	3,758.55	4,616.76	8,375.31
CANDO FIRE DEPT	5,253.40	5,678.13	10,931.53

**ND INSURANCE DEPARTMENT
FIRE DISTRICT PAYMENTS
FOR THE FISCAL YEARS 2007 AND 2008**

FIRE DISTRICT	2007 PAYMENT	2008 PAYMENT	TOTAL PAYMENTS
CARPIO F/P DISTRICT	5,261.01	6,805.50	12,066.51
CARRINGTON FIRE DEPT	10,168.94	8,707.67	18,876.61
CARRINGTON RURAL FIRE DP	11,754.94	10,132.32	21,887.26
CARSON F/P DISTRICT	3,822.32	4,600.19	8,422.51
CASSELTON FIRE DEPT	8,383.55	7,155.59	15,539.14
CASSELTON RURAL FIRE DP	20,422.32	18,400.01	38,822.33
CATHAY F/P DISTRICT	2,099.49	2,473.88	4,573.37
CAVALIER FIRE DEPT	8,963.13	8,521.47	17,484.60
CAVALIER RURAL FIRE DEPT	10,799.63	11,580.93	22,380.56
CEDAR VALLEY F/P DIST	607.89	977.84	1,585.73
CENTRAL-BEACH F/P DIST	1,540.09	2,332.32	3,872.41
CHRISTINE F/P DISTRICT	3,754.48	3,644.42	7,398.90
CHURCHES FERRY F/P DIST	3,062.99	-	3,062.99
CLEVELAND F/P DISTRICT	6,171.39	7,376.14	13,547.53
CLIFFORD F/P DISTRICT	1,336.82	-	1,336.82
COGSWELL F/P DISTRICT	3,725.40	4,216.45	7,941.85
COLUMBUS FIRE DEPT	394.88	347.75	742.63
COLUMBUS RURAL FIRE DEPT	1,578.01	1,151.81	2,729.82
COOPERSTOWN FIRE DEPT	4,357.60	3,666.58	8,024.18
COOPERSTOWN RURAL FIRE	5,831.52	5,499.88	11,331.40
COURTENAY F/P DISTRICT	4,250.16	2,415.51	6,665.67
CROSBY FIRE DEPT	3,553.28	2,864.24	6,417.52
CROSBY RURAL FIRE DEPT	2,705.06	3,839.71	6,544.77
CRYSTAL F/P DISTRICT	3,218.21	3,186.10	6,404.31
DAHLEN F/P DISTRICT	1,508.15	1,516.18	3,024.33
DAVENPORT F/P DISTRICT	2,556.96	2,738.48	5,295.44
DAWSON F/P DISTRICT	2,283.62	2,781.22	5,064.84
DAZEY F/P DISTRICT	2,404.58	2,075.61	4,480.19
DAZEY FIRE DEPT	1,266.16	1,066.88	2,333.04
DEERING F/P DISTRICT	2,163.81	2,118.73	4,282.54
DES LACS F/P DISTRICT	3,102.76	3,134.54	6,237.30
DEVILS LAKE FIRE DEPT	25,221.18	25,832.71	51,053.89
DEVILS LAKE RURAL FIRE	16,960.90	19,351.53	36,312.43
DICKINSON F/P DISTRICT	17,807.18	17,815.34	35,622.52
DICKINSON FIRE DEPT	58,322.30	67,045.88	125,368.18
DONNYBROOK F/P DISTRICT	4,138.53	4,560.29	8,698.82
DOUGLAS F/P DISTRICT	1,299.65	1,335.39	2,635.04
DRAKE F/P DISTRICT	2,902.96	3,859.24	6,762.20
DRAKE FIRE DEPT	791.97	1,140.48	1,932.45
DRAYTON FIRE DEPT	3,875.59	4,475.79	8,351.38
DRAYTON RURAL FIRE DEPT	4,083.90	4,619.68	8,703.58
DUNSEITH F/P DISTRICT	2,964.52	3,120.26	6,084.78
DUNSEITH FIRE DEPT	1,468.68	1,627.07	3,095.75
DWIGHT F/P DISTRICT	4,051.19	4,144.53	8,195.72
EAST ADAMS F/P DISTRICT	932.62	1,485.74	2,418.36
EDGELEY FIRE DEPT	3,080.53	2,531.61	5,612.14
EDGELEY RURAL FIRE DEPT	8,747.67	9,876.04	18,623.71
EDINBURG F/P DISTRICT	4,230.25	5,075.78	9,306.03
EDMORE FIRE DEPT	1,008.74	1,129.62	2,138.36

**ND INSURANCE DEPARTMENT
FIRE DISTRICT PAYMENTS
FOR THE FISCAL YEARS 2007 AND 2008**

FIRE DISTRICT	2007 PAYMENT	2008 PAYMENT	TOTAL PAYMENTS
EDMORE RURAL FIRE DEPT	5,854.76	4,485.96	10,340.72
EDNA F/P DISTRICT	715.38	1,022.96	1,738.34
EGELAND F/P DISTRICT	1,809.37	1,821.73	3,631.10
ELGIN F/P DISTRICT	5,205.76	6,177.80	11,383.56
ELLENDALE F/P DISTRICT	11,643.97	11,466.83	23,110.80
EMERADO FIRE DEPT	2,305.87	1,926.40	4,232.27
EMERADO RURAL FIRE DEPT	2,390.60	2,499.38	4,889.98
ENDERLIN F/P DISTRICT	12,984.27	13,729.06	26,713.33
EPPING F/P DISTRICT	3,423.71	4,185.88	7,609.59
ERIE RURAL FIRE DEPT	1,446.40	1,896.51	3,342.91
ESMOND F/P DISTRICT	5,005.17	5,130.51	10,135.68
FAIRDALE F/P DISTRICT	2,233.03	4,987.61	7,220.64
FAIRMOUNT F/P DISTRICT	8,677.57	8,931.73	17,609.30
FARGO FIRE DEPT	338,533.00	312,199.05	650,732.05
FERRY TOWNSHIP F/P DIST	10,621.67	10,795.46	21,417.13
FESSENDEN F/P DISTRICT	7,235.26	7,854.87	15,090.13
FINGAL F/P DISTRICT	2,970.99	2,326.27	5,297.26
FINLEY F/P DISTRICT	10,242.52	8,997.94	19,240.46
FLASHER F/P DISTRICT	5,180.57	6,177.09	11,357.66
FLAXTON F/P DISTRICT	758.37	983.36	1,741.73
FORBES F/P DISTRICT	2,477.73	1,354.24	3,831.97
FORDVILLE F/P DISTRICT	3,942.62	4,193.05	8,135.67
FOREST RIVER FIRE DEPT	2,145.68	1,217.31	3,362.99
FORMAN F/P DISTRICT	7,078.87	6,345.07	13,423.94
FORT RANSOM F/P DISTRICT	2,246.83	2,680.98	4,927.81
FORT YATES F/P DISTRICT	2,080.88	2,300.70	4,381.58
FORTUNA F/P DISTRICT	1,496.08	1,771.22	3,267.30
FREDONIA F/P DISTRICT	1,438.40	1,644.97	3,083.37
FULLERTON F/P DISTRICT	2,677.85	2,727.00	5,404.85
GACKLE FIRE DEPT	1,002.57	-	1,002.57
GACKLE RURAL FIRE DEPT	3,420.79	4,494.34	7,915.13
GALESBURG F/P DISTRICT	5,004.38	4,191.15	9,195.53
GARRISON F/P DISTRICT	6,227.22	6,431.65	12,658.87
GARRISON FIRE DEPT	6,507.81	6,830.15	13,337.96
GILBY F/P DISTRICT	7,260.71	6,478.56	13,739.27
GLADSTONE F/P DISTRICT	2,253.29	2,790.85	5,044.14
GLEN ULLIN F/P DISTRICT	5,684.13	8,104.99	13,789.12
GLENBURN F/P DISTRICT	6,555.54	6,842.37	13,397.91
GLENFIELD F/P DISTRICT	7,233.97	6,089.09	13,323.06
GOLDEN VALLEY F/P DIST	1,320.07	1,637.22	2,957.29
GOLVA F/P DISTRICT	1,639.51	1,853.35	3,492.86
GOODRICH F/P DISTRICT	2,856.43	3,497.62	6,354.05
GOODRICH FIRE DEPT	501.60	1,167.68	1,669.28
GRAFTON F/P DISTRICT	20,402.13	14,871.54	35,273.67
GRAFTON FIRE DEPT	21,131.01	16,431.37	37,562.38
GRAND FORKS FIRE DEPT	163,706.65	148,727.45	312,434.10
GRANDIN F/P DISTRICT	9,581.95	9,832.66	19,414.61
GRANVILLE F/P DISTRICT	4,373.53	7,744.58	12,118.11
GRASSY BUTTE F/P DIST	1,227.23	2,002.18	3,229.41

**ND INSURANCE DEPARTMENT
FIRE DISTRICT PAYMENTS
FOR THE FISCAL YEARS 2007 AND 2008**

FIRE DISTRICT	2007 PAYMENT	2008 PAYMENT	TOTAL PAYMENTS
GREAT BEND F/P DISTRICT	4,108.83	2,833.81	6,942.64
GRENORA F/P DISTRICT	6,516.31	6,125.92	12,642.23
GWINNER F/P DISTRICT	17,143.92	9,391.98	26,535.90
HAGUE F/P DISTRICT	1,274.49	1,746.01	3,020.50
HALLIDAY F/P DISTRICT	3,781.18	3,924.15	7,705.33
HAMPDEN F/P DISTRICT	1,621.69	2,892.01	4,513.70
HANKINSON F/P DISTRICT	12,743.76	7,708.85	20,452.61
HANNAFORD RURAL FIRE DP	3,444.47	4,222.56	7,667.03
HANNAH F/P DISTRICT	2,700.52	3,462.57	6,163.09
HARVEY F/P DISTRICT	8,365.02	8,268.59	16,633.61
HARVEY FIRE DEPT	7,875.35	8,730.78	16,606.13
HARWOOD F/P & RESCUE	5,222.16	4,367.34	9,589.50
HASTINGS FIRE DEPT	57.81	1,750.65	1,808.46
HATTON FIRE DEPT	3,971.87	-	3,971.87
HATTON RURAL FIRE DEPT	5,057.42	9,169.35	14,226.77
HAVANA F/P DISTRICT	1,922.05	1,650.64	3,572.69
HAZELTON F/P DISTRICT	3,904.38	5,457.90	9,362.28
HAZEN F/P DISTRICT	4,338.90	4,696.53	9,035.43
HAZEN FIRE DEPT	8,970.36	8,779.13	17,749.49
HEBRON F/P DISTRICT	6,257.55	5,528.37	11,785.92
HEBRON FIRE DEPT	-	147.81	147.81
HENSEL FIRE DEPT	512.13	-	512.13
HETTINGER F/P DISTRICT	12,061.21	12,057.76	24,118.97
HILLSBORO FIRE & RESCUE	18,888.00	14,817.67	33,705.67
HOOPLE F/P DISTRICT	7,304.02	5,980.56	13,284.58
HOOPLE FIRE DEPT	2,361.83	2,955.22	5,317.05
HOPE F/P DISTRICT	14,561.53	11,466.17	26,027.70
HORACE F/P DISTRICT	13,586.39	15,910.16	29,496.55
HORSE CREEK F/P DISTRICT	697.27	757.98	1,455.25
HUNTER F/P DISTRICT	4,526.30	4,482.88	9,009.18
INKSTER F/P DISTRICT	3,463.00	3,639.71	7,102.71
JAMESTOWN F/P DISTRICT	27,740.25	34,220.94	61,961.19
JAMESTOWN FIRE DEPT	52,878.35	54,961.19	107,839.54
JUD F/P DISTRICT	4,255.48	3,682.00	7,937.48
KARLSRUHE F/P DISTRICT	1,726.35	1,939.09	3,665.44
KARLSRUHE FIRE DEPT	162.76	581.83	744.59
KATHRYN F/P DISTRICT	1,634.25	1,668.55	3,302.80
KENMARE FIRE DEPT	5,012.01	4,847.22	9,859.23
KENMARE RURAL FIRE DEPT	7,525.36	7,477.37	15,002.73
KENSAL F/P DISTRICT	4,252.97	3,548.77	7,801.74
KINDRED FIRE DEPT	5,051.02	6,229.85	11,280.87
KINDRED RURAL FIRE DEPT	5,353.83	3,509.48	8,863.31
KRAMER F/P DISTRICT	2,624.34	1,996.19	4,620.53
KRAMER FIRE DEPT	306.98	670.03	977.01
KULM FIRE DEPT	1,429.03	1,567.59	2,996.62
KULM RURAL FIRE DEPT	2,967.42	2,867.23	5,834.65
LAKOTA F/P DISTRICT	6,817.69	7,904.75	14,722.44
LAMOURE FIRE DEPT	4,109.97	7,177.37	11,287.34
LAMOURE RURAL FIRE DEPT	12,185.22	12,468.95	24,654.17

**ND INSURANCE DEPARTMENT
FIRE DISTRICT PAYMENTS
FOR THE FISCAL YEARS 2007 AND 2008**

FIRE DISTRICT	2007 PAYMENT	2008 PAYMENT	TOTAL PAYMENTS
LANGDON F/P DISTRICT	12,454.07	12,654.48	25,108.55
LANGDON FIRE DEPT	9,392.29	13,147.76	22,540.05
LANKIN F/P DISTRICT	3,215.84	2,954.02	6,169.86
LANKIN FIRE DEPT	403.39	563.71	967.10
LANSFORD F/P DISTRICT	4,925.23	5,506.99	10,432.22
LARIMORE FIRE DEPT	4,626.72	6,863.69	11,490.41
LARIMORE RURAL FIRE DEPT	9,812.05	7,222.52	17,034.57
LEEDS F/P DISTRICT	11,635.64	12,205.92	23,841.56
LEHR FIRE DEPT	695.20	326.67	1,021.87
LEHR RURAL FIRE DEPT	1,410.42	1,471.18	2,881.60
LEONARD F/P DISTRICT	5,502.32	5,257.65	10,759.97
LIDGERWOOD F/P DISTRICT	9,652.24	9,415.64	19,067.88
LIGNITE F/P DISTRICT	1,705.42	1,801.61	3,507.03
LINTON F/P DISTRICT	9,888.00	11,012.03	20,900.03
LISBON F/P DISTRICT	12,103.85	10,319.55	22,423.40
LISBON FIRE DEPT	9,336.07	9,747.51	19,083.58
LITCHVILLE FIRE DEPT	725.15	2,685.12	3,410.27
LITCHVILLE RURAL FIRE DP	5,301.72	3,806.60	9,108.32
MADDOCK F/P DISTRICT	7,563.74	6,305.76	13,869.50
MANDAN F/P DISTRICT	18,645.59	20,045.83	38,691.42
MANDAN FIRE DEPT	56,337.88	59,053.14	115,391.02
MANTADOR F/P DISTRICT	3,171.14	2,945.26	6,116.40
MAPLETON FIRE DEPT	3,525.76	3,640.22	7,165.98
MARION FIRE DEPT	1,003.96	941.37	1,945.33
MARION RURAL FIRE DEPT	8,242.06	7,864.15	16,106.21
MARMARTH RURAL FIRE DIST	849.90	874.03	1,723.93
MAX F/P DISTRICT	6,207.79	6,365.34	12,573.13
MAXBASS F/P DISTRICT	2,431.12	2,206.94	4,638.06
MAYVILLE FIRE DEPT	11,609.37	11,066.76	22,676.13
MCCLUSKY F/P DISTRICT	2,503.66	3,854.53	6,358.19
MCCLUSKY FIRE DEPT	1,569.45	1,662.58	3,232.03
MCHENRY RURAL FIRE DEPT	3,858.65	4,304.07	8,162.72
MCKENZIE COUNTY F/P DIST	5,648.41	6,839.86	12,488.27
MCVILLE F/P DISTRICT	4,528.29	4,336.81	8,865.10
MEDINA F/P DISTRICT	3,302.23	3,036.76	6,338.99
MEDORA FIRE DEPT	1,363.55	1,233.02	2,596.57
MERCER F/P DISTRICT	2,252.84	2,935.01	5,187.85
MERRICOURT F/P DISTRICT	509.90	1,128.80	1,638.70
MICHIGAN F/P DISTRICT	4,590.09	4,586.28	9,176.37
MILNOR F/P DISTRICT	9,576.57	9,302.39	18,878.96
MILTON F/P DISTRICT	2,744.14	3,257.51	6,001.65
MINNEWAUKAN F/P DISTRICT	3,181.41	4,024.13	7,205.54
MINNEWAUKAN FIRE DEPT	737.28	938.66	1,675.94
MINOT F/P DISTRICT	24,434.72	24,811.81	49,246.53
MINOT FIRE DEPT	126,820.64	123,245.98	250,066.62
MINTO F/P DISTRICT	9,505.49	9,559.55	19,065.04
MOHALL F/P DISTRICT	4,392.97	4,022.27	8,415.24
MOHALL FIRE DEPT	2,485.07	3,171.45	5,656.52
MOORETON F/P DISTRICT	5,241.04	4,483.95	9,724.99

**ND INSURANCE DEPARTMENT
FIRE DISTRICT PAYMENTS
FOR THE FISCAL YEARS 2007 AND 2008**

FIRE DISTRICT	2007 PAYMENT	2008 PAYMENT	TOTAL PAYMENTS
MOORETON FIRE DEPT	1,228.13	1,968.71	3,196.84
MOTT F/P DISTRICT	9,956.24	10,628.60	20,584.84
MOUNTAIN F/P DISTRICT	1,522.62	2,741.64	4,264.26
MUNICH F/P DISTRICT	6,229.48	6,798.83	13,028.31
MYLO F/P DISTRICT	1,554.93	1,559.46	3,114.39
NAPOLEON F/P DISTRICT	8,236.59	8,619.59	16,856.18
NECHE F/P DISTRICT	3,158.57	3,558.98	6,717.55
NEKOMA F/P DISTRICT	3,010.43	3,155.47	6,165.90
NEW ENGLAND F/P DISTRICT	5,458.95	6,245.68	11,704.63
NEW ENGLAND FIRE DEPT	2,077.92	2,726.65	4,804.57
NEW LEIPZIG F/P DISTRICT	2,609.95	3,537.88	6,147.83
NEW ROCKFORD FIRE DEPT	7,223.23	5,023.20	12,246.43
NEW ROCKFORD RURAL FIRE	6,454.18	5,361.06	11,815.24
NEW SALEM F/P DISTRICT	8,738.11	9,554.03	18,292.14
NEW TOWN F/P DISTRICT	6,646.57	6,390.82	13,037.39
NEW TOWN FIRE DEPT	3,637.26	4,326.39	7,963.65
NEWBURG F/P DISTRICT	4,320.50	5,219.68	9,540.18
NIAGARA F/P DISTRICT	3,174.60	3,099.86	6,274.46
NOME F/P DISTRICT	1,467.85	1,350.63	2,818.48
NOONAN FIRE DEPT	280.95	383.44	664.39
NOONAN RURAL FIRE DEPT	1,360.50	1,288.17	2,648.67
NORTHWOOD F/P DISTRICT	11,722.06	10,331.70	22,053.76
NORTHWOOD FIRE DEPT	-	43.64	43.64
OAKES F/P DISTRICT	21,699.91	20,125.40	41,825.31
OBERON FIRE DEPT	252.19	426.55	678.74
OBERON RURAL FIRE DEPT	1,641.58	1,536.10	3,177.68
OLIVER COUNTY F/P DIST	9,017.71	8,802.57	17,820.28
ORISKA FIRE DEPT	2,623.70	814.84	3,438.54
OSNABROCK F/P DISTRICT	4,271.84	5,219.71	9,491.55
OSNABROCK FIRE DEPT	854.34	1,044.75	1,899.09
PAGE F/P DISTRICT	7,061.33	7,192.18	14,253.51
PARK RIVER F/P DISTRICT	4,150.14	4,106.03	8,256.17
PARK RIVER FIRE DEPT	4,683.31	4,775.26	9,458.57
PARSHALL F/P DISTRICT	6,433.71	7,929.16	14,362.87
PEKIN F/P DISTRICT	1,618.90	1,346.60	2,965.50
PEMBINA RURAL FIRE DEPT	4,214.32	341.52	4,555.84
PEMBINA RURAL FIRE DEPT	-	3,434.42	3,434.42
PETERSBURG F/P DISTRICT	2,716.80	3,227.39	5,944.19
PETTIBONE FIRE DEPT	504.56	-	504.56
PETTIBONE RURAL FIRE DP	1,617.33	1,964.20	3,581.53
PICK CITY FIRE DEPT	866.76	904.35	1,771.11
PINGREE F/P DISTRICT	1,708.58	1,834.28	3,542.86
PISEK F/P DISTRICT	1,586.23	1,392.02	2,978.25
PLAZA F/P DISTRICT	3,553.62	4,698.89	8,252.51
PORTAL F/P DISTRICT	846.21	2,823.96	3,670.17
PORTLAND F/P DISTRICT	9,498.14	9,074.02	18,572.16
POWERS LAKE F/P DISTRICT	3,717.79	3,875.91	7,593.70
RAY F/P DISTRICT	4,482.06	5,874.41	10,356.47
REEDER F/P DISTRICT	4,929.71	6,253.18	11,182.89

**ND INSURANCE DEPARTMENT
FIRE DISTRICT PAYMENTS
FOR THE FISCAL YEARS 2007 AND 2008**

FIRE DISTRICT	2007 PAYMENT	2008 PAYMENT	TOTAL PAYMENTS
REGENT F/P DISTRICT	4,117.43	4,662.54	8,779.97
REYNOLDS F/P DISTRICT	5,583.46	5,308.49	10,891.95
RHAME F/P DISTRICT	5,068.12	4,724.03	9,792.15
RICHARDTON F/P DISTRICT	2,604.16	5,038.45	7,642.61
RICHARDTON FIRE DEPT	2,206.53	-	2,206.53
RIVERDALE FIRE DEPT	1,207.44	1,348.90	2,556.34
ROBINSON RURAL FIRE DEPT	1,280.43	1,728.82	3,009.25
ROCK LAKE F/P DISTRICT	4,630.29	4,314.42	8,944.71
ROGERS FIRE DEPT	1,181.33	1,274.18	2,455.51
ROLETTE F/P DISTRICT	3,914.44	4,734.17	8,648.61
ROLETTE FIRE DEPT	2,271.42	1,934.07	4,205.49
ROLLA F/P DISTRICT	4,247.62	4,893.12	9,140.74
ROLLA FIRE DEPT	5,932.83	5,839.12	11,771.95
RUGBY F/P DISTRICT	8,604.03	8,155.86	16,759.89
RUGBY FIRE DEPT	8,504.34	8,564.31	17,068.65
RUTLAND-CAYUGA F/P DIST	4,141.38	4,313.45	8,454.83
RYDER-MAKOTI F/P DIST	6,841.22	5,858.59	12,699.81
SANBORN F/P DISTRICT	6,385.16	3,276.83	9,661.99
SANBORN FIRE DEPT	1,382.10	1,763.56	3,145.66
SARLES F/P DISTRICT	3,244.50	3,454.09	6,698.59
SAWYER F/P DISTRICT	5,150.22	4,849.53	9,999.75
SCRANTON F/P DISTRICT	9,215.50	7,484.37	16,699.87
SELFRIIDGE F/P DISTRICT	1,986.56	3,197.32	5,183.88
SENTINEL BUTTE F/P DIST	998.68	1,219.99	2,218.67
SHARON FIRE DEPT	1,332.90	268.75	1,601.65
SHERWOOD F/P DISTRICT	4,380.71	5,029.82	9,410.53
SHEYENNE FIRE DEPT	1,044.19	1,241.71	2,285.90
SHEYENNE RURAL FIRE DEPT	3,084.05	3,190.23	6,274.28
SIBLEY FIRE DEPT	201.02	239.41	440.43
SIOUX-YELLOWSTONE F/P DISTRICT	1,582.99	879.30	2,462.29
SOLENE F/P DISTRICT	1,376.83	1,144.51	2,521.34
SOURIS F/P DISTRICT	4,453.51	5,380.36	9,833.87
SOUTH HEART F/P DISTRICT	4,977.93	5,154.41	10,132.34
SOUTHWEST F/P DISTRICT	218.49	292.78	511.27
ST JOHN F/P DISTRICT	3,616.96	2,807.23	6,424.19
ST THOMAS F/P DISTRICT	5,951.58	6,283.93	12,235.51
STANLEY F/P DISTRICT	7,275.69	7,281.49	14,557.18
STANLEY FIRE DEPT	3,931.83	4,178.19	8,110.02
STANTON F/P DISTRICT	1,010.63	1,085.39	2,096.02
STANTON FIRE DEPT	2,142.58	11,584.64	13,727.22
STARKWEATHER F/P DIST	3,775.23	4,174.09	7,949.32
STEELE F/P DISTRICT	4,650.73	6,019.67	10,670.40
STEELE FIRE DEPT	1,334.35	448.29	1,782.64
STERLING F/P DISTRICT	3,157.65	3,918.24	7,075.89
STRASBURG F/P DISTRICT	3,940.48	4,491.64	8,432.12
STREETER F/P DISTRICT	2,911.44	2,863.18	5,774.62
SURREY F/P DISTRICT	3,489.48	3,681.90	7,171.38
SYKESTON F/P DISTRICT	2,878.45	2,663.78	5,542.23
TAPPEN FIRE DEPT	4,738.56	-	4,738.56

**ND INSURANCE DEPARTMENT
FIRE DISTRICT PAYMENTS
FOR THE FISCAL YEARS 2007 AND 2008**

FIRE DISTRICT	2007 PAYMENT	2008 PAYMENT	TOTAL PAYMENTS
TAPPEN RURAL FIRE DEPT	2,388.23	3,629.76	6,017.99
TAYLOR F/P DISTRICT	2,314.24	2,239.57	4,553.81
THOMPSON F/P DISTRICT	15,016.09	12,315.52	27,331.61
TIOGA FIRE DEPT	4,352.18	4,153.78	8,505.96
TIOGA RURAL FIRE DEPT	3,540.27	4,292.21	7,832.48
TOLLEY FIRE DEPT	449.20	523.02	972.22
TOLNA F/P DISTRICT	5,255.93	7,100.60	12,356.53
TOWER CITY F/P DISTRICT	5,141.54	4,534.89	9,676.43
TOWNER F/P DISTRICT	3,857.50	3,180.88	7,038.38
TOWNER FIRE DEPT	2,482.76	2,670.95	5,153.71
TRENTON F/P DISTRICT	729.87	688.37	1,418.24
TURTLE LAKE F/P DISTRICT	5,626.88	6,019.50	11,646.38
TUTTLE F/P DISTRICT	1,892.17	1,752.00	3,644.17
UNDERWOOD F/P DISTRICT	12,802.56	13,943.02	26,745.58
UPHAM F/P DISTRICT	2,672.09	2,770.78	5,442.87
VALLEY CITY FIRE DEPT	24,298.71	22,530.01	46,828.72
VALLEY CITY RURAL FIRE	11,372.10	9,178.79	20,550.89
VELVA F/P DISTRICT	5,504.57	5,442.08	10,946.65
VELVA FIRE DEPT	3,895.64	13,996.32	17,891.96
VERONA FIRE DEPT	421.48	1,949.41	2,370.89
VERONA RURAL FIRE DEPT	4,542.35	3,860.05	8,402.40
WAHPETON FIRE DEPT	29,407.07	26,781.76	56,188.83
WALCOTT-COLFAX F/P DIST	12,718.86	9,302.44	22,021.30
WALES FIRE DEPT	514.95	809.39	1,324.34
WALHALLA F/P DISTRICT	12,696.79	7,539.41	20,236.20
WALHALLA FIRE DEPT	6,288.59	4,038.99	10,327.58
WARWICK F/P DISTRICT	1,356.76	1,105.90	2,462.66
WASHBURN F/P DISTRICT	4,273.39	4,535.26	8,808.65
WASHBURN FIRE DEPT	4,195.53	4,971.07	9,166.60
WATFORD CITY FIRE DEPT	7,319.52	7,001.15	14,320.67
WEST DUNN F/P DISTRICT	8,782.85	10,382.79	19,165.64
WEST FARGO FIRE DEPT	64,183.76	63,229.18	127,412.94
WEST FARGO RURAL FIRE DP	25,625.21	22,355.81	47,981.02
WESTHOPE F/P DISTRICT	5,977.57	6,811.82	12,789.39
WILDROSE F/P DISTRICT	2,502.83	3,595.57	6,098.40
WILLISTON F/P DISTRICT	15,579.64	14,941.29	30,520.93
WILLISTON FIRE DEPT	43,574.91	40,648.07	84,222.98
WILLOW CITY F/P DISTRICT	3,133.38	6,624.46	9,757.84
WILLOW CITY FIRE DEPT	-	29.97	29.97
WILTON F/P DISTRICT	8,784.03	10,092.59	18,876.62
WIMBLEDON F/P DISTRICT	7,166.70	5,840.70	13,007.40
WING F/P DISTRICT	2,231.37	2,254.05	4,485.42
WISHEK F/P DISTRICT	9,531.41	8,278.33	17,809.74
WOLFORD F/P DISTRICT	2,273.87	2,375.08	4,648.95
WOODWORTH FIRE DEPT	984.68	870.57	1,855.25
WOODWORTH RURAL FIRE DP	2,417.00	3,243.59	5,660.59
WYNDMERE F/P DISTRICT	11,075.24	9,684.52	20,759.76
ZAP F/P DISTRICT	1,520.68	1,538.97	3,059.65
ZEELAND F/P DISTRICT	3,080.38	5,844.66	8,925.04

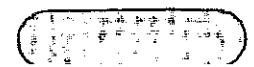
**ND INSURANCE DEPARTMENT
FIRE DISTRICT PAYMENTS
FOR THE FISCAL YEARS 2007 AND 2008**

<u>FIRE DISTRICT</u>	<u>2007 PAYMENT</u>	<u>2008 PAYMENT</u>	<u>TOTAL PAYMENTS</u>
Total Payments	<u>\$ 3,099,999.95</u>	<u>\$ 3,100,000.02</u>	<u>\$ 6,199,999.97</u>

Fire fighters
School

Summary		NDFA APPROPRIATION REQUEST
		2009 - 2011 Biennium
		ND Insurance Department Budget
Revenue:		Amount:
Dues:		\$15,040
Library Fees		\$3,400
Registration Fees		\$42,000
Insurance Department Approp.	HB1010	\$790,000.00
DES: SARA Chem. Reg. Fees	HB1047	\$75,000.00
Grants:		
NFA State Deliveries	Reimbursement grant	\$28,000.00
WSI Courage to be Safe	Reimbursement grant	\$49,210.00
HMEP	Reimbursement grant	\$39,194.00
Total Revenues		\$1,041,844.00
Expenses:		
Administration:		
Staffing	2.5 FTE	\$272,378.00
Operations	Office & Program Expenses	\$134,600.00
Equipment upgrades	computers/fax/copier	\$15,000.00
Training:		
Regional Fire School		\$80,000.00
State Fire School		\$200,000.00
NFA Direct Deliveries		\$28,000.00
CTBS Presentations		\$49,210.00
HMEP Haz Mat Training		\$39,194.00
Hazardous Materials Training	in addition to any HMEP Training	\$176,000.00
Certification Accreditation		\$50,000.00
Total Projected Expenses		\$1,044,382.00

033



January 2007

**Four Years Later – A Second
Needs Assessment of the U.S. Fire Service
NORTH DAKOTA**



**A Cooperative Study Authorized by
U.S. Public Law 108-767, Title XXXVI**



**Homeland
Security**



*Attachment
1010-1.13-09C*

A cooperative study between:

US Fire Administration (USFA)
Directorate for Preparedness
Department of Homeland Security
and
National Fire Protection Association (NFPA)

ACKNOWLEDGEMENTS

NFPA Project Manager: John R. Hall, Jr., Ph.D.
NFPA Senior Statistician: Michael J. Karter, Jr.
USFA Project Officer: Mark A. Whitney

This second needs assessment of the U.S. fire service used the unaltered survey instrument developed in the first needs assessment, with the aim of supporting valid timelines on all questions. Once again, America's fire departments rose to the challenge, carefully reviewed their departments' capabilities and described those capabilities in forms submitted to us for use in this study.

We received essential comments at several stages from colleagues at NFPA and from the staff at USFA, and we greatly appreciate their insights.

Lastly, we want to thank the administrative personnel at NFPA, whose painstaking attention to detail and extended hours of work were instrumental in transforming a set of questions and a stack of forms into a unique database and this analysis report:

- John Baldi
- John Conlon
- Frank Deely
- Norma Candeloro
- Helen Columbo

EXECUTIVE SUMMARY

Public Law 108-767, Title XXXVI – Assistance to Firefighters, included a requirement for new information in a study and report on assistance to firefighters. (Section 3603)

The 2005 Fire Service Needs Assessment survey was conducted as a stratified random sample by size of community. A stratified sample was selected with all larger departments (protecting over 50,000 population) included, and a random sample of departments protecting smaller communities was also selected. It was estimated that a response of approximately 4,500 fire departments would be sufficient to make reliable national estimates and state estimates as long as it included a good response from larger departments.

The NFPA used its own list of local fire departments as the sampling frame of all fire departments in the U.S. In all, 27,166 fire departments were listed on the NFPA Fire Service Inventory. Response rates were quite similar to response rates achieved from the *first* mailing of the 2001 Fire Service Needs Assessment Survey (the final response rate in the 2001 survey was 46%) and annually achieved in the annual NFPA Fire Experience Survey. Response rates varied considerably by size of community protected, with larger communities responding at a rate of 67% to 85%, medium sized communities at a rate of 44% to 52%, and smaller communities (less than 10,000) responding at a rate of 19% to 31%. Low response rates for smaller departments (comprised mostly of volunteers) occur for a number of reasons, including lack of personnel to complete surveys.

Response rates of larger communities were bolstered by a second mailing to all departments that protect communities of 50,000 or more that had not responded to the initial mailing. Also, states with unusually low response rates were sent a second mailing. Approximately 300 departments responded to the second mailing to small states, and this had minimal impact on national estimates. A second mailing was not sent to all nonrespondents from the first mailing due to the time constraints of the project. The results presented in the national report were based on 4,709 fire departments, or 30% of the sample, that responded to the 2005 Fire Needs Assessment Survey.

The results for North Dakota presented in this report are based on 50 fire departments that responded, or 34% of the 149 departments in North Dakota that were sent forms as part of the 2005 Fire Needs Assessment Survey.

Personnel and Their Capabilities in North Dakota

- An estimated 91% of fire departments are involved in structural firefighting but have not formally trained all involved firefighters in those duties.

- An estimated 40% of fire departments are involved in delivering emergency medical services (EMS) but have not provided formal training in those duties to all involved personnel.
- An estimated 88% of fire departments have no program to maintain basic firefighter fitness and health.

Facilities, Apparatus and Equipment in North Dakota

- An estimated 48% of total fire stations are at least 40 years old, an estimated 74% have no backup power, and an estimated 94% are not equipped for exhaust emission control.
- An estimated 13% of all engines are 15 to 19 years old, another 39% are 20 to 29 years old, and another 25% are at least 30 years old. Therefore, 77% of all engines are at least 15 years old.
- An estimated 78% of fire departments do not have enough portable radios to equip all emergency responders on a shift.
- An estimated 78% of fire departments do not have enough self-contained breathing apparatus (SCBA) to equip all firefighters on a shift.
- An estimated 63% of fire departments do not have enough personal alert system (PASS) devices to equip all emergency responders on a shift.
- An estimated 22% of fire departments do not have enough personal protective clothing to equip all firefighters.

Ability to Handle Unusually Challenging Incidents in North Dakota

- 17% of fire departments reported they were responsible for a technical rescue with EMS at a structural collapse of a building with 50 occupants and had enough specially trained people locally.
 - 42% of fire departments reported that such incidents were not within the department's responsibility.
 - 16% of fire departments reported they were responsible for such an incident and had enough specialized equipment locally.
 - Including departments which reported local personnel and equipment were enough, 21% of fire departments reported that they had a written agreement for obtaining non-local resources to respond.

- 4% of fire departments reported they were responsible for a hazmat and EMS incident involving chemical/biological agents and 10 injuries and had enough specially trained people locally.
 - 46% of fire departments reported that such incidents were not within the department's responsibility.
 - 3% of fire departments reported they were responsible for such an incident and had enough specialized equipment locally.
 - Including departments which reported local personnel and equipment were enough, 15% of fire departments reported that they had a written agreement for obtaining non-local resources to respond.
- 35% of fire departments reported they were responsible for a wildland/urban interface fire affecting 500 acres and had enough specially trained people locally.
 - 12% of fire departments reported that such incidents were not within the department's responsibility.
 - 31% of fire departments reported they were responsible for such an incident and had enough specialized equipment locally.
 - Including departments which reported local personnel and equipment were enough, 54% of fire departments reported that they had a written agreement for obtaining non-local resources to respond.
- 13% of fire departments reported they were responsible for mitigation of a developing major flood and had enough specially trained people locally.
 - 64% of fire departments reported that such incidents were not within the department's responsibility.
 - 10% of fire departments reported they were responsible for such an incident and had enough specialized equipment locally.
 - Including departments which reported local personnel and equipment were enough, 10% of fire departments reported that they had a written agreement for obtaining non-local resources to respond.

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INTRODUCTION

Notes to the Reader

The following considerations should be kept in mind when using this report:

- This is a fire department self-assessment survey. It defines needs by comparing self-reported resources to available standards or other guidance (which are identified where they are used) on what is needed to do a safe and effective job. These estimates may not be the same as would be produced by using DHS hazard/risk assessment methods or asking local authorities for their judgments of priority local needs.
- This survey was sent out shortly after Hurricane Katrina, which probably affected response rates from those areas involved.
- The response rates varied by stratum with departments protecting smaller communities responding at lower rates than those protecting larger communities. Lower response rates increase the risk for nonresponse bias in estimates. Weighting factors based on response rates and sampling fractions are used to combine results across strata. See the next section entitled 'Survey Methodology' for a breakdown of response rates by stratum.
- Results from all surveys are subject to both sampling and non-sampling error. When a sample, rather than the entire population, is surveyed, there is a chance that the sample estimates may differ from the "true" population values they represent. This "sampling error" or "standard error" varies depending on the particular sample selected. In addition, the survey data are also affected by non-sampling errors, which can occur for many reasons including failure to sample a segment of the population, inability to obtain information for all respondents in the sample, the inability or unwillingness of respondents to provide correct information, and errors made in the collection or processing of the data.

Survey Methodology

The 2005 Fire Service Needs Assessment survey was conducted as a stratified random sample by size of community. A stratified sample was selected with all larger departments (protecting over 50,000 population) included, and a random sample of departments protecting smaller communities was also selected. It was estimated that a response of approximately 4,500 fire departments would be sufficient to make reliable national estimates and state estimates as long as it included a good response from larger departments.

The NFPA used its own list of local fire departments as the sampling frame of all fire departments in the U.S. In all, 27,166 fire departments were listed on the NFPA FSI*. Response rates were quite similar to response rates achieved from the *first* mailing of the 2001 Fire Service Needs Assessment Survey (the final response rate in the 2001 survey was 46%) and annually achieved in the annual NFPA Fire Experience Survey. Response rates varied considerably by size of community protected, with larger communities responding at a rate of 67% to 85%, medium sized communities at a rate of 44% to 52%, and smaller communities (less than 10,000) responding at a rate of 19% to 31%. Low response rates for smaller departments (comprised mostly of volunteers) occur for a number of reasons, including lack of personnel to complete surveys.

Response rates of larger communities were bolstered by a second mailing to all departments that protect communities of 50,000 or more that had not responded to the initial mailing. Also, states with unusually low response rates were sent a second mailing. Approximately 300 departments responded to the second mailing to small states, and this had minimal impact on national estimates. A second mailing was not sent to all nonrespondents from the first mailing due to the time constraints of the project. The results presented in the national report were based on 4,709 fire departments, or 30% of the sample, that responded to the 2005 Fire Needs Assessment Survey.

The results for North Dakota presented in this report are based on 50 fire departments that responded, or 34% of the 149 departments in North Dakota that were sent forms as part of the 2005 Fire Needs Assessment Survey. The number of fire departments selected and responding as well as response rates by community size can be seen in Table A.

Total state results in the survey report were made by summing up the weighted estimates for each stratum, and the stratification methodology adjusted for response rates by community size.

Most of the results in this report are for a percent (e.g., percent of fire departments that provide EMS services). The results in this report are based on standard statistical methodology for a stratified random sample, and it was assumed that P equals 50%.** In general for North Dakota, the standard error will not exceed $\pm 7\%$ for overall state results. (It will be smaller for percents close to 0 or 100%).

* The NFPA Fire Service Inventory (FSI) file is a listing of all known fire departments in the U.S. The file is continuously maintained by a three year cycle survey which surveys one third of the country each year. The survey is also updated by review of fire marshal listings by state, other NFPA mailings, and other data sources.

** William G. Cochran, Sampling Techniques, John Wiley & Sons, New York, NY, 1977.

Results for individual community size strata have larger standard errors and can be seen when there was sufficient data to calculate them in the last column in Table A.* The standard error accounts for sampling variability but not for other issues, e.g., bias due to non-response or other non-sampling errors.

*** Because a census was conducted of communities over 50,000, there is technically no "sampling error" per se for them. However, not all of the departments responded, so there is uncertainty in how well the sample estimate reflects the true population value due to weighting and potential bias. To estimate potential error for estimates by strata, we computed the standard error as if all of the respondents for these communities were in fact a random sample selected from that population (with finite population corrections applied). The standard errors for the other strata reflect standard calculations.

**Table A – For North Dakota
Number of Fire Departments Selected and
Responding by Community Size**

Population Of Community	Number of Fire Departments in Sample	Number of Fire Departments Responding	Response Rate (%)	Standard Error (+/-%)
50,000 to 99,999	3	3	100	0
25,000 to 49,999	1	0	0	NS
10,000 to 24,999	6	6	100	0
5,000 to 9,999	5	1	20	NS
2,500 to 4,999	20	6	30	18
under 2,500	114	34	30	8
Total	149	50	34	7

The NFPA Fire Service Inventory (FSI) file is a listing of all known fire departments in the U.S. The file is continuously maintained by a three year cycle survey which surveys one third of the country each year. The survey is also updated by review of fire marshal listings by state, other NFPA mailings, and other data sources.

Most of the results in this report are for a percent (e.g., percent of fire departments that provide EMS services). The results in this report are based on standard statistical methodology for a stratified random sample, and it was assumed that P equals 50%.* In general for North Dakota, the standard error will not exceed +/-7% for overall state results. (It will be smaller for percents close to 0 or 100%). Results for individual community size strata have larger standard errors and can be seen in the last column above. The standard error accounts for sampling variability but not for other issues, e.g., bias due to non-response or other non-sampling errors.

* William G. Cochran, Sampling Techniques, John Wiley & Sons, New York, NY, 1977.

NS- Standard errors are not provided when the number of fire departments responding is less than 5.

FEMA Survey Project on Needs of the US Fire Service

Public Law 108-767, Title XXXVI – Assistance to Firefighters, included a requirement for new information in a study and report on assistance to firefighters. (Section 3603)

The content of the survey was developed by NFPA in the first survey, in collaboration with an ad hoc technical advisory group consisting of representatives of the full spectrum of national organizations and related disciplines associated with the management of fire and related hazards and risks in the U.S. The survey form was used without modification in order to maximize comparability of results and development of valid timelines.

See Appendix for a copy of the questionnaire.

Glossary

Here are standard definitions for some of the specialized terms used in this report:

Advanced Life Support. Functional provision of advanced airway management, including intubation, advanced cardiac monitoring, manual defibrillation, establishment and maintenance of intravenous access, and drug therapy. [from NFPA 1710, *Standard for the Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations to the Public by Career Fire Departments*, 2001 edition.]

Basic Life Support. Functional provision of patient assessment, including basic airway management; oxygen therapy; stabilization of spinal, musculo-skeletal, soft tissue, and shock injuries; stabilization of bleeding; and stabilization and intervention for sudden illness, poisoning and heat/cold injuries, childbirth, CPR, and automatic external defibrillator (AED) capability. [from NFPA 1710, *Standard for the Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations to the Public by Career Fire Departments*, 2001 edition.]

Emergency Medical Care. The provision of treatment to patients, including first aid, cardiopulmonary resuscitation (CPR), basic life support (EMT level), advanced life support (Paramedic level), and other medical procedures that occur prior to arrival at a hospital or other health care facility. [from NFPA 1581, *Standard on Fire Department Infection Control Program*, 2000 edition] In this report, reference is made to “EMS” or “emergency medical service,” which is the service of providing emergency medical care.

First Responder (EMS). Functional provision of initial assessment (i.e., airway, breathing, and circulatory systems) and basic first-aid intervention, including CPR and automatic external defibrillator (AED) capability. [from NFPA 1710, *Standard for the Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations to the Public by Career Fire Departments*, 2001 edition.]

Hazardous Material. A substance that presents an unusual danger to persons due to properties of toxicity, chemical reactivity, or decomposition, corrosivity, explosion or detonation, etiological hazards, or similar properties. [from NFPA 1500, *Standard on Fire Department Occupational Safety and Health Program*, 1997 edition.]

Structural Fire Fighting. The activities of rescue, fire suppression, and property conservation in buildings, enclosed structures, aircraft interiors, vehicles, vessels, aircraft, or like properties that are involved in a fire or emergency situation. [from NFPA 1500, *Standard on Fire Department Occupational Safety and Health Program*, 1997 edition.]

Technical Rescue. The application of special knowledge, skills, and equipment to safely resolve unique and/or complex rescue situations. [from NFPA 1670, *Standard on Operations and Training for Technical Rescue Incidents*, 1999 edition.]

Wildland/Urban Interface. The line, area, or zone where structures and other human development meet or intermingle with undeveloped wildland or vegetative fuels. [from NFPA 295, *Standard for Wildfire Control*, 1998 edition]

THE US FIRE SERVICE

Career and Volunteer Fire Departments

Most fire departments are volunteer fire departments, but career firefighters account for a much larger share of population protected than of departments. Table 1 provides an overview of North Dakota fire departments by type of department and population protected.

Volunteers are concentrated in rural communities, while career firefighters are found disproportionately in large communities. All- or mostly-career departments account for half or more of departments down to communities of at least 25,000 population. Rural communities, defined by the US Bureau of Census as a community with less than 2,500 population, are all protected by all- or mostly-volunteer departments, and these communities account for 74% of all the all- or mostly-volunteer departments in North Dakota.

Community size is related to the US fire service not only in terms of the relative emphasis on career vs. volunteer firefighters but also in terms of the challenges faced by local departments. However, it is possible to exaggerate those differences. Even a rural community can have a large factory complex, a large stadium, or even a high-rise building, with all the technical complexities and potential for high concentration of people or valued property that such a property entails. Even a large city can have a wildland/urban interface region and exposure to the unique fire dangers attendant on such an area. It is likely that every fire department will need to have some familiarity with every type of fire and every type of emergency, if not as part of protecting their own community, then at least in their role as a source of mutual aid or a component of regional or even national response to a major incident.

In any community, fire burns the same way in open or in enclosed spaces. Fire harms people and property in the same ways. And the resources and best practices required to safely address the fire problem – or any other major emergency – tend to be the same everywhere. What may differ is the defined responsibility of the local fire department and the quality and quantity of resources available to the department to perform those responsibilities.

Table 1
Department Type, by Community Size
(Q. 1, 7, 8)

<u>Population of Community</u>	All Career		Mostly Career		Mostly Volunteer		All Volunteer		Total	
	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>
50,000 to 99,999	3	100.0%	0	0.0%		0.0%	0	0.0%	3	100.0%
10,000 to 49,999	0	0.0%	0	0.0%		83.3%	1	16.7%	6	100.0%
2,500 to 9,999	1	14.3%	0	0.0%		0.0%	6	85.7%	7	100.0%
Under 2,500	0	0.0%	0	0.0%	1	2.9%	33	97.1%	34	100.0%
Total	4	8.0%	0	0.0%	6	12.0%	40	80.0%	50	100.0%

Source: FEMA/USFA and NFPA Survey of the Needs of the US Fire Service

The above projections are based on 50 departments reporting on the indicated questions.

Type of department is broken into four categories. All-career departments are comprised of 100% career firefighters. Mostly-career departments are comprised of 51 to 99% career firefighters, while mostly-volunteer departments are comprised of 1 to 50% career firefighters. All-volunteer departments are comprised of 100% volunteer firefighters.

Numbers may not add to totals due to rounding.

The Fire Service Needs Assessment Survey was sent only to departments with administrative and reporting responsibilities, in order to minimize double-counting. This means that the total number of departments we contacted may be much lower than the total number of departments in the state, as reflected in the state's own records.

Q. 1: Population (number of permanent residents) your department has primary responsibility to protect (excluding mutual aid areas)

Q. 7: Total number of full-time (career) uniformed firefighters

Q. 8: Total number of active part-time (call or volunteer) firefighters

PERSONNEL AND THEIR CAPABILITIES

Adequacy of Number of Firefighters Responding

Tables 2-3 provide statistics on the percentage of all- or mostly-career fire departments that assigned less than 3, 3, 4, or more than 4 career firefighters to an engine/pumper apparatus and the percentage of all- or mostly-volunteer fire departments that responded with less than 3, 3-4, or more than 4 volunteer firefighters to a mid-day house fire.

In the national report, the indicators of response profiles were compared to recently adopted standards regarding the minimum complement of firefighters to permit an interior attack on a structural fire with adequate safeguards for firefighter safety. The comparisons were complicated, however, because most fire departments have both career and volunteer firefighters, while the survey asked only about responses by career firefighters alone or volunteer firefighters alone.

Also, in considering the results below, keep in mind that “adequacy” is being assessed here relative to only one of the several objectives of a fire department confronted with a serious fire – the protection of the firefighters themselves from unreasonable risk of injury or death. Relative success in meeting this objective will not necessarily imply anything about the department’s ability to reliably achieve the other departmental suppression objectives, whether those be preventing conflagrations, preventing fire from involving an entire large structure, or intervening decisively before the onset of flashover in the room of fire origin.

In addition, success in meeting any of these objectives involves more than a sufficiency of personnel. Equipment of many types is also needed, as are skills and knowledge, as achieved through training and certification. Each of these areas of need is addressed in different parts of the survey.

While the gap between assignments and the new requirements can be made up by volunteers or in other ways, an analysis was done on the national data of the estimated total gap in career firefighters, assuming that the gap represented a real need for additional staff. That estimate came out to a need for about one additional career firefighter for every five now serving. Estimates were not possible for volunteers even at the national level, though it was clear that gaps exist there as well. And the proportional need tended to be greater the smaller the community size.

The need for career firefighters can be estimated as a 33% increase for departments that respond with 3 firefighters (adding 1 to 3 to make 4 is a 33% increase) and a 50% increase for departments that respond with 1-2 firefighters (adding 2 to 2 to make 4 is a 50% increase).

Extent of Training, by Type of Duty

Structural Firefighting

For North Dakota, Table 4 indicates whether structural firefighting is within the responsibility of the fire department. No departments say no. Table 5 asks how many of the personnel responsible for structural firefighting have received formal training.

An estimated 91% of the state's fire departments have structural firefighting within their responsibility and have not formally trained all involved firefighters. The percentage for the state's rural communities (population less than 2,500) is 94%. The national percentage for departments serving all sizes of communities is 53%, the highest state percentage is 91%, and the lowest state percentage is 0%.

Emergency Medical Service

For North Dakota, Table 6 asks whether emergency medical service (EMS) is within the responsibility of the fire department. Half (51%) departments say no. Table 7 asks how many of the assigned personnel in departments responsible for EMS have received formal training.

An estimated 40% of the state's fire departments have EMS within their responsibility but have not formally trained all involved personnel. The national percentage is 36%, the highest state percentage is 60%, and the lowest state percentage is 8%.

Hazardous Material Response

Table 8 asks whether hazardous material response is within the responsibility of the fire department. More than one-quarter (28%) of departments say no.

Technical Rescue

For North Dakota, Table 9 asks whether technical rescue is within the responsibility of the fire department. Half (50%) of departments say no. Even for rural fire departments, protecting fewer than 2,500 population, nearly half of fire departments now provide technical rescue.

Programs to Maintain and Protect Firefighter Health

Table 10 indicates whether departments have a program to maintain basic firefighter fitness and health, such as is required in NFPA 1500, *Standard on Fire Department Occupational Safety and Health Program*. In North Dakota, an estimated 88% of fire departments indicate that they do not have such a program. The national percentage of fire departments with no such programs is 76%, the highest state percentage is 94%, and the lowest state percentage is 33%.

Table 2
For All- or Mostly-Volunteer Departments
Average Number of Volunteer Firefighters Who Respond to a Mid-Day House Fire
Percent of Departments by Community Size
(Q. 10)

Average Number of Volunteer Firefighters Responding							
Population of Community	1-2	3-4	5-9	10-14	15-19	20 or More	Total
10,000 to 49,999	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
2,500 to 9,999	0.0%	0.0%	0.0%	0.0%	16.7%	83.3%	100.0%
Under 2,500	0.0%	0.0%	0.0%	0.0%	20.6%	79.4%	100.0%

Source: FEMA/USFA and NFPA Survey of the Needs of the US Fire Service

The above projections are based on 49 departments reporting on the indicated question.

A mostly-volunteer department might respond with some career firefighters as well, but this question asked only about volunteers responding.

Numbers may not add to totals due to rounding.

Q. 10: Average number of call/volunteer personnel who respond to a mid-day house fire (blank for actual number).

Table 3
For All- or Mostly-Career Departments
Number of Career Firefighters Assigned to an Engine/Pumper Apparatus
Percent of Departments by Community Size
(Q. 11)

Number of Career Firefighters Assigned to Engine/Pumper					
Population of Community	1-2	3	4	5 or More	Total
50,000 to 99,999	0.0%	66.7%	33.3%	0.0%	100.0%

Source: FEMA/USFA and NFPA Survey of the Needs of the US Fire Service

The above projections are based on 49 departments reporting on the indicated question.

Numbers may not add to totals due to rounding.

Q. 11: Number of on-duty career/paid personnel assigned to an engine/pumper (answers given as ranges shown).

Table 4
Does Department Provide Structural Firefighting?
by Community Size
(Q. 13a)

	Yes		No		Total	
<u>Population of Community</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>
50,000 to 99,999	3	100.0%	0	0.0%	3	100.0%
10,000 to 49,999	11	100.0%	0	0.0%	11	100.0%
2,500 to 9,999	34	100.0%	0	0.0%	34	100.0%
Under 2,500	301	100.0%	0	0.0%	301	100.0%
Total	349	100.0%	0	0.0%	349	100.0%

Source: FEMA/USFA and NFPA Survey of the Needs of the US Fire Service

The above projections are based on 50 departments reporting on the indicated question.

Numbers may not add to totals due to rounding.

Q. 13a: Is [structural firefighting] a role your department performs?

Table 5
For Departments That Provide Structural Firefighting
How Many Personnel Who Perform This Duty Have Received Formal Training?
by Community Size
(Q. 13b)

	All		Most		Some		None		Total	
Population of Community	Number Depts	Percent	Number Depts	Percent	Number Depts	Percent	Number Depts	Percent	Number Depts	Percent
50,000 to 99,999	1	33.3%	2	66.7%	0	0.0%	0	0.0%	3	100.0%
10,000 to 49,999	4	33.3%	4	33.3%	4	33.3%	0	0.0%	11	100.0%
2,500 to 9,999	10	28.6%	10	28.6%	15	42.9%	0	0.0%	34	100.0%
Under 2,500	18	6.1%	82	27.3%	182	60.6%	18	6.1%	301	100.0%
Total	33	9.3%	97	27.9%	201	57.5%	18	5.2%	349	100.0%

Source: FEMA/USFA and NFPA Survey of the Needs of the US Fire Service

The above projections are based on 49 departments reporting yes on the "a" counterpart of the indicated question (i.e., Q. 13a or 14a) and also reporting on the indicated question.

Numbers may not add to totals due to rounding.

Q. 13b: If [structural firefighting is a role your department performs], how many of your personnel who perform this duty have received formal training (not just on-the-job)?

Table 6
Does Department Provide Emergency Medical Service (EMS)?
by Community Size
(Q. 14a)

	Yes		No		Total	
<u>Population of Community</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>
50,000 to 99,999	3	100.0%	0	0.0%	3	100.0%
10,000 to 49,999	6	50.0%	6	50.0%	11	100.0%
2,500 to 9,999	19	57.1%	15	42.9%	34	100.0%
Under 2,500	142	47.1%	159	52.9%	301	100.0%
Total	170	48.6%	179	51.4%	349	100.0%

Source: FEMA/USFA and NFPA Survey of the Needs of the US Fire Service

The above projections are based on 50 departments reporting on the indicated question.

Numbers may not add to totals due to rounding.

Q. 14a: Is [emergency medical service] a role your department performs?

Table 7
For Departments That Provide Emergency Medical Service
How Many Personnel Who Perform This Duty Have Received Formal Training?
by Community Size
(Q. 14b)

	All		Most		Some		None		Total	
<u>Population of Community</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>
50,000 to 99,999	2	66.7%	1	33.3%	0	0.0%	0	0.0%	3	100.0%
10,000 to 49,999	2	33.3%	0	0.0%	4	66.7%	0	0.0%	6	100.0%
2,500 to 9,999	10	50.0%	5	25.0%	5	25.0%	0	0.0%	19	100.0%
Under 2,500	18	12.5%	35	25.0%	89	62.5%	0	0.0%	142	100.0%
Total	31	18.4%	41	24.3%	97	57.2%	0	0.0%	170	100.0%

Source: FEMA/USFA and NFPA Survey of the Needs of the US Fire Service

The above projections are based on 26 departments reporting yes on the "a" counterpart of the indicated question (i.e., Q. 13a or 14a) and also reporting on the indicated question.

Numbers may not add to totals due to rounding.

Q. 14b: If [emergency medical service is a role your department performs], how many of your personnel who perform this duty have received formal training (not just on-the-job)?

Table 8
Does Department Provide Hazardous Material Response?
by Community Size
(Q. 15a)

<u>Population of Community</u>	Yes		No		Total	
	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>
50,000 to 99,999	3	100.0%	0	0.0%	3	100.0%
10,000 to 49,999	11	100.0%	0	0.0%	11	100.0%
2,500 to 9,999	34	100.0%	0	0.0%	34	100.0%
Under 2,500	204	67.6%	97	32.4%	301	100.0%
Total	252	72.1%	97	27.9%	349	100.0%

Source: FEMA/USFA and NFPA Survey of the Needs of the US Fire Service

The above projections are based on 50 departments reporting on the indicated question.

Numbers may not add to totals due to rounding.

Q. 15a: Is [hazardous materials response] a role your department performs?

Table 9
Does Department Provide Technical Rescue Service?
by Community Size
(Q. 17a)

	Yes		No		Total	
<u>Population of Community</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>
50,000 to 99,999	3	100.0%	0	0.0%	3	100.0%
10,000 to 49,999	9	83.3%	2	16.7%	11	100.0%
2,500 to 9,999	19	57.1%	15	42.9%	34	100.0%
Under 2,500	142	47.1%	159	52.9%	301	100.0%
Total	173	49.6%	176	50.4%	349	100.0%

Source: FEMA/USFA and NFPA Survey of the Needs of the US Fire Service

The above projections are based on 50 departments reporting on the indicated question.

Numbers may not add to totals due to rounding.

Q. 17a: Is [technical rescue] a role your department performs?

Table 10
Does Department Have a Program
to Maintain Basic Firefighter Fitness and Health?
by Community Size
(Q. 18)

	Yes		No		Total	
<u>Population of Community</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>
50,000 to 99,999	3	100.0%	0	0.0%	3	100.0%
10,000 to 49,999	2	16.7%	9	83.3%	11	100.0%
2,500 to 9,999	10	28.6%	24	71.4%	34	100.0%
Under 2,500	27	8.8%	274	91.2%	301	100.0%
Total	41	11.8%	308	88.2%	349	100.0%

Source: FEMA/USFA and NFPA Survey of the Needs of the US Fire Service

The above projections are based on 50 departments reporting on the indicated question.

Numbers may not add to totals due to rounding.

Q. 18: Does your department have a program to maintain basic firefighter fitness and health (e.g., as required in NFPA 1500)?

FACILITIES, APPARATUS AND EQUIPMENT

Fire Stations

Table 11 describes the average number of fire stations per department by size of community. Note that a community may have two or more fire stations, and each fire station may have two or more firefighting companies, each attached to a particular apparatus, such as an engine/pumper. Table 11 also describes the fraction of stations with characteristics that indicate potential needs, specifically age of station over 40 years, a lack of backup power, or a lack of exhaust emission control equipment.

An estimated 48% of the state's fire stations are over 40 years old. The national percentage is 36%, the highest state percentage is 73%, and the lowest state percentage is 8%.

An estimated 74% of the state's fire stations have no backup power. The national percentage is 54%, the highest state percentage is 87%, and the lowest state percentage is 4%. An estimated 94% of the state's fire stations are not equipped for exhaust emission control. The national percentage is 72%, the highest state percentage is 100%, and the lowest state percentage is 28%.

In addition to needs associated with the condition of fire stations, there are also questions about needs with respect to the number and coverage of fire stations. The number and coverage needed are those required to achieve response with sufficient fire suppression flow within a target period of time. The information contained in the Needs Assessment Survey is not sufficient to perform such a calculation, but a simplified version is possible. This calculation was considered too complex to repeat separately for each state, but because it is an important issue, the logic used and the primary overall conclusions are repeated here.

The *Fire Suppression Rating Schedule* of the Insurance Services Office includes a number of guidelines and formulas to use in performing a complete assessment of the adequacy of fire department resources, but for this simplified calculation on adequacy of number of fire stations, Item 560 has a basis: "The built-upon area of the city should have a first-due engine company within 1-½ miles and a ladder-service company within 2-½ miles."* For this simplified calculation, we can use these two numbers as a range for the maximum distance from any point in the community to the nearest fire station.

NFPA 1710 states its requirements in terms of time, specifically, a requirement that 90% of responses by the initial arriving company shall be within 4 minutes. If the first-response area is considered as a circle with the fire station in the middle, and if emergency calls are evenly distributed throughout the response area, then 90% of responses will be within 95% of the distance from the fire station to the boundary of the

* *Fire Suppression Rating Schedule*, New York: Insurance Services Office, Inc., August 1998, p. 28.

response area.* If the average speed of fire apparatus is 21 mph, as it might be in the downtown area of a city, then the 4-minute requirement corresponds to a 1.5-mile requirement. If the average speed of fire apparatus is 36 mph, as it might be in a suburban or rural area, then the 4-minute requirement corresponds to a 2.5-mile requirement. In a very rural community, the average speed could be even higher, and the allowable distance would be even greater.

Note the limitations in this assumption: Item 560 implies that a larger maximum distance is acceptable for parts of the community that are not "built-upon"; this will be especially relevant for smaller communities. This larger maximum distance may or may not be on the order of the 2 ½ miles cited for ladder-service companies responding in the built-upon area, so the use of 2 ½ miles as an upper bound for calculation is done for convenience rather than through any compelling logic. Item 560 does not reflect variations in local travel speeds or the need for adequate fire flow by the responding apparatus; those issues are addressed elsewhere in the *Fire Suppression Rating Schedule*. This guideline is not a mandatory government requirement or a consensus voluntary standard.

To use this guideline with the data available from the Needs Assessment Survey, it is necessary to have a formula giving the maximum distance from fire station to any point in the community as a function of data collected in the survey. The Rand Institute developed such a formula for expected (i.e., average) distance as part of its extensive research on fire deployment issues in the 1960s and 1970s.**

The formula has been developed and tested against actual travel-distance data from selected fire departments for both straight-line travel and the more relevant right-angle travel that characterizes the grid layout of many communities. It has been developed assuming either a random distribution of fire stations throughout the community or an optimal placement of stations to minimize travel distances and times.

The formula is called the square root law: Expected distance = $k \sqrt{A/n}$
where k is a proportionality constant
 A is the community's area in square miles
 n is the number of fire stations

Note the limitations of this approach, cited by the Rand authors: Most importantly, it ignores the effect of natural barriers, such as rivers or rail lines. It assumes an alarm is equally likely from any point in the community. It assumes a unit is always ready to respond from the nearest fire station.

* If r is the distance from station to boundary, then the size of the response area is πr^2 , and the radius of a circle with area equal to $0.9\pi r^2$ will be $r\sqrt{0.9}$ or approximately $0.95r$.

** Warren E. Walker, Jan M. Chaiken, and Edward J. Ignall, eds., *Fire Department Deployment Analysis*, Publications in Operations Research series of the Operations Research Society of America, New York: Elsevier North Holland, 1979, pp. 180-184.

If one further assumes that response areas can be approximated by circles with fire stations at the center, then expected distance equals one-half of maximum distance. If response areas are more irregularly shaped, expected distance will be a smaller fraction of maximum distance.

With these assumptions, the number of fire stations will be sufficient to provide acceptable coverage, defined as a maximum travel distance that is less than the ISO-based value, if the following is true:

$$A - \frac{1}{2} (n)(D_{\max})^2/(k^2) < 0$$

where

A is the community's area in square miles

n is the number of fire stations

D_{\max} is the maximum acceptable travel distance (1-½ miles or 2-½ miles)

k is the Rand proportionality constant, which is assumed to be for right-angle travel and is 0.6267 for random station location and 0.4714 for optimal station location

It may be appropriate to use the shorter maximum distance for larger communities and the larger maximum distance for smaller communities. In fact, as noted, if the average speed achievable by fire apparatus is well above 36 mph, an even larger maximum distance is justified under NFPA 1710. Note also that NFPA 1720, the standard for volunteer fire departments, has no speed of response or distance requirement, reflecting the fact that very low population densities in the smallest communities mean the number of people exposed to long response times may be very small.

Also, while few if any communities will have optimal station locations, it is likely that most will have placements that are considerably better than random. Based on these observations and calculations, the national report concluded that, in every population interval, roughly two-thirds to three-fourths of fire departments have too few stations to provide the indicated coverage. Specifically, if 1.5 miles is used for communities of 10,000 or more and 2.5 miles is used for smaller communities, with optimal location used for both, then the national study found that 65-76% of departments have too few stations, except for communities of 500,000 to 999,999 population, where the percentage was 82%.

Apparatus

Table 12 characterizes the size of the engine/pumper fleet inventory, overall and by age of vehicle.

An estimated 13% of all engines are 15 to 19 years old, another 39% are 20 to 29 years old, and another 25% are at least 30 years old. Therefore, 77% of all engines are at least 15 years old. For the percentage of engines that are at least 15 years old, the national percentage is 49%. For the percentage of engines that are at least 30 years old, the

national percentage is 13%, the highest state percentage is 34%, and the lowest state percentage is 0%.

Vehicle age alone is not sufficient to confirm a need for replacement, but it is indicative of a potential need, which should be examined.

Personal Protective Equipment and Clothing

Table 13 indicates what percentage of emergency responders on a single shift are equipped with portable radios.

In North Dakota, an estimated 78% of fire departments do not have enough radios to equip all emergency responders on a shift. The national percentage is 36%, the highest state percentage is 90%, and the lowest state percentage is 29%.

Table 14 estimates how many emergency responders on a shift or otherwise on-duty are equipped with self-contained breathing apparatus (SCBA).

In North Dakota, an estimated 78% of fire departments do not have enough SCBA units to equip all emergency responders on a shift. The national percentage is 60%, the highest state percentage is 85%, and the lowest state percentage is 0%.

Table 15 indicates what fraction of emergency responders on a single shift are equipped with Personal Alert Safety System (PASS) devices.

In North Dakota, an estimated 63% of fire departments do not have enough PASS devices to equip all emergency responders on a shift. The national percentage is 48%, the highest state percentage is 74%, and the lowest state percentage is 0%.

Table 16 indicates how many emergency responders are equipped with their own personal protective clothing.

In North Dakota, an estimated 22% of fire departments do not have personal protective clothing for all firefighters. The national percentage is 8%, the highest state percentage is 22%, and the lowest state percentage is 0%.

Table 11
Number of Fire Stations and Selected Characteristics
by Community Size
(Q. 23)

Population of Community	Average Number of Stations	Percent Stations Over 40 Years Old	Percent Stations Having Backup Power	Percent Stations Equipped for Exhaust Control
50,000 to 99,999	4.3	7.7%	100.0%	92.3%
10,000 to 49,999	1.6	37.5%	62.5%	25.0%
2,500 to 9,999	1.1	50.0%	25.0%	0.0%
Under 2,500	1.3	50.0%	21.9%	3.1%
Total	1.3	48.3%	25.9%	6.3%

Source: FEMA/USFA and NFPA Survey of the Needs of the US Fire Service

The above projections are based on 40 departments reporting on the indicated questions.

Total row is for all communities and is not the sum of the other rows.

Q. 23: Number of fire stations, number over 40 years old, number having backup power, number equipped for exhaust emission control (e.g., diesel exhaust extraction).

Table 12
Average Number of Engines/Pumpers in Service
and Age of Engine/Pumper Apparatus
by Community Size
(Q. 24)

<u>Population of Community</u>	<u>Average Number of Engines</u>	<u>Engines 0-14 Years Old</u>	<u>Engines 15-19 Years Old</u>	<u>Engines 20-29 Years Old</u>	<u>Engines 30 or More Years Old</u>
50,000 to 99,999	5.33	3.33	1.00	0.67	0.33
10,000 to 49,999	3.00	1.17	0.67	0.83	0.33
2,500 to 9,999	3.50	1.33	0.83	1.33	0.00
Under 2,500	2.88	0.57	0.32	1.14	0.86
Total	2.96	0.68	0.39	1.14	0.75

Source: FEMA/USFA and NFPA Survey of the Needs of the US Fire Service

The above projections are based on 48 departments reporting on the indicated questions.

Total row is for all communities and is not the sum of the other rows.

Q. 24: Number of engines/pumpers in service, number 0-14 years old, number 15-19 years old, number 20-29 years old, number 30 or more years old, number unknown age.

Table 13
How Many of Department's Emergency Responders
on a Single Shift Are Equipped With Portable Radios?
by Community Size
(Q. 27a)

<u>Population of Community</u>	<u>Most</u>		<u>Some</u>		<u>None</u>		<u>Total</u>	
	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>
50,000 to 99,999	3	100.0%	0	0.0%	0	0.0%	3	100.0%
10,000 to 49,999	2	16.7%	6	50.0%	4	33.3%	11	100.0%
2,500 to 9,999	5	14.3%	5	14.3%	19	57.1%	34	100.0%
Under 2,500	53	17.6%	53	17.6%	159	52.9%	301	100.0%
All Total	63	22.0%	63	20.0%	182	48.0%	349	100.0%

Source: FEMA/USFA and NFPA Survey of the Needs of the US Fire Service

The above projections are based on 50 departments reporting on the indicated question.

Numbers may not add to totals due to rounding.

Q. 27a: How many of your emergency responders on-duty on a single shift can be equipped with portable radios?

Table 14
How Many Emergency Responders
on a Single Shift Are Equipped With
Self-Contained Breathing Apparatus (SCBA)?
by Community Size
(Q. 28a)

	All		Most		Some		None		Total	
<u>Population of Community</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>
50,000 to 99,999	3	100.0%	0	0.0%	0	0.0%	0	0.0%	3	100.0%
10,000 to 49,999	2	16.7%	7	66.7%	2	16.7%	0	0.0%	11	100.0%
2,500 to 9,999	5	14.3%	15	42.9%	15	42.9%	0	0.0%	34	100.0%
Under 2,500	53	17.6%	142	47.1%	97	32.4%	9	2.9%	301	100.0%
Total	63	22.0%	164	46.0%	114	30.0%	9	2.0%	349	100.0%

Source: FEMA/USFA and NFPA Survey of the Needs of the US Fire Service

The above projections are based on 50 departments reporting on the indicated question.

Numbers may not add to totals due to rounding.

Q. 28a: How many emergency responders on-duty on a single shift can be equipped with self-contained breathing apparatus (SCBA)?

Table 15
What Fraction of Emergency Responders on a Single Shift
Are Equipped With Personal Alert Safety System (PASS) Devices?
by Community Size
(Q. 29)

	All		Most		Some		None		Total	
<u>Population of Community</u>	<u>Number of Depts</u>	<u>Percent</u>	<u>Number of Depts</u>	<u>Percent</u>	<u>Number of Depts</u>	<u>Percent</u>	<u>Number of Depts</u>	<u>Percent</u>	<u>Number of Depts</u>	<u>Percent</u>
50,000 to 99,999	3	100.0%	0	0.0%	0	0.0%	0	0.0%	3	100.0%
10,000 to 24,999	6	50.0%	2	16.7%	4	33.3%	0	0.0%	11	100.0%
2,500 to 9,999	10	28.6%	10	28.6%	0	0.0%	15	42.9%	34	100.0%
Under 2,500	91	30.3%	27	9.1%	73	24.2%	109	36.4%	301	100.0%
Total	109	36.7%	39	12.2%	77	20.4%	124	30.6%	349	100.0%

Source: FEMA/USFA and NFPA Survey of the Needs of the US Fire Service

The above projections are based on 49 departments reporting on the indicated question.

Numbers may not add to totals due to rounding.

Q. 29: How many of your emergency responders on-duty on a single shift are equipped with Personal Alert Safety System (PASS) devices?

Table 16
What Fraction of Emergency Responders
Are Equipped With Personal Protective Clothing?
by Community Size
(Q. 30a)

	All		Most		Some		None		Total	
Population of Community	Number Depts	Percent	Number Depts	Percent	Number Depts	Percent	Number Depts	Percent	Number Depts	Percent
50,000 to 99,999	3	100.0%	0	0.0%	0	0.0%	0	0.0%	3	100.0%
10,000 to 49,999	11	100.0%	0	0.0%	0	0.0%	0	0.0%	11	100.0%
2,500 to 9,999	34	100.0%	0	0.0%	0	0.0%	0	0.0%	34	100.0%
Under 2,500	204	67.6%	80	26.5%	18	5.9%	0	0.0%	301	100.0%
Total	252	78.0%	80	18.0%	18	4.0%	0	0.0%	349	100.0%

Source: FEMA/USFA and NFPA Survey of the Needs of the US Fire Service

The above projections are based on 50 departments reporting on the indicated question.

Numbers may not add to totals due to rounding.

Q. 30a: How many of your emergency responders are equipped with personal protective clothing?

ABILITY TO HANDLE UNUSUALLY CHALLENGING INCIDENTS

Questions 36-39 were designed to check the capabilities of fire departments, in communities of various sizes, to handle unusually severe and challenging incidents, only one of which involved a fire. These have to do with the increasingly important first responder role of fire departments.

In addition to asking whether such incidents were within the department's responsibility, the survey asked whether fire departments could handle such incidents with local personnel and equipment and whether a plan existed to support effective coordination with non-local resources and partners.

Technical Rescue and EMS at Structural Collapse With 50 Occupants

Table 17 indicates whether a technical rescue with EMS at a structural collapse of a building with 50 occupants is within the responsibility of the department.

Tables 18-20 address, for the departments that consider such a rescue within their responsibility, how far they have to go for specially trained people and specialized equipment and what type of plan they have for obtaining assistance, respectively.

In North Dakota, 42% of fire departments reported that such incidents were not within the department's responsibility. The national percentage is 34%, the highest state percentage is 50%, and the lowest percentage is 0%.

In North Dakota, 17% of fire departments reported they were responsible for such an incident and had enough specially trained people locally. The national percentage is 11%, the highest state percentage is 25%, and the lowest percentage is 0%.

In North Dakota, 16% of fire departments reported they were responsible for such an incident and had enough specialized equipment locally. The national percentage is 10%, the highest state percentage is 25%, and the lowest percentage is 0%.

In North Dakota, including departments which reported local personnel and equipment were enough, 21% of fire departments reported that they had a written agreement for obtaining non-local resources to respond. The national percentage is 26%, the highest state percentage is 62%, and the lowest percentage is 6%.

Hazmat and EMS for Incident Involving Chemical/Biological Agents and 10 Injuries

Table 21 indicates whether hazmat and EMS for an incident involving chemical/biological agents and 10 injuries is within the responsibility of the department. (Note that

casualty counts of 100 to 1,000 are not unusual in chemical/biological agent weapons of mass destruction.)

Tables 22-24 address, for the departments that consider such a rescue within their responsibility, how far they have to go for specially trained people and specialized equipment and what type of plan they have for obtaining assistance, respectively.

In North Dakota, 46% of fire departments reported that such incidents were not within the department's responsibility. The national percentage is 32%, the highest state percentage is 46%, and the lowest percentage is 0%.

In North Dakota, 4% of fire departments reported they were responsible for such an incident and had enough specially trained people locally. The national percentage is 12%, the highest state percentage is 29%, and the lowest percentage is 0%.

In North Dakota, 3% of fire departments reported they were responsible for such an incident and had enough specialized equipment locally. The national percentage is 10%, the highest state percentage is 28%, and the lowest percentage is 0%.

In North Dakota, including departments which reported local personnel and equipment were enough, 15% of fire departments reported that they had a written agreement for obtaining non-local resources to respond. The national percentage is 30%, the highest state percentage is 66%, and the lowest percentage is 0%.

Wildland/Urban Interface Fire Affecting 500 Acres

Table 25 indicates whether a wildland/urban interface fire affecting 500 acres is within the responsibility of the department.

Tables 26-28 address, for the departments that consider such a rescue within their responsibility, how far they have to go for specially trained people and specialized equipment and what type of plan they have for obtaining assistance, respectively.

In North Dakota, 12% of fire departments reported that such incidents were not within the department's responsibility. The national percentage is 27%, the highest state percentage is 66%, and the lowest percentage is 0%.

In North Dakota, 35% of fire departments reported they were responsible for such an incident and had enough specially trained people locally. The national percentage is 24%, the highest state percentage is 52%, and the lowest percentage is 2%.

In North Dakota, 31% of fire departments reported they were responsible for such an incident and had enough specialized equipment locally. The national percentage is 21%, the highest state percentage is 50%, and the lowest percentage is 1%.

In North Dakota, including departments which reported local personnel and equipment were enough, 54% of fire departments reported that they had a written agreement for obtaining non-local resources to respond. The national percentage is 40%, the highest state percentage is 78%, and the lowest percentage is 12%.

Mitigation of a Developing Major Flood

Table 29 indicates whether mitigation of a developing major flood is within the responsibility of the department.

Tables 30-32 address, for the departments that consider such a rescue within their responsibility, how far they have to go for specially trained people and specialized equipment and what type of plan they have for obtaining assistance, respectively.

In North Dakota, 64% of fire departments reported that such incidents were not within the department's responsibility. The national percentage is 52%, the highest state percentage is 66%, and the lowest percentage is 0%.

In North Dakota, 13% of fire departments reported they were responsible for such an incident and had enough specially trained people locally. The national percentage is 11%, the highest state percentage is 33%, and the lowest percentage is 0%.

In North Dakota, 10% of fire departments reported they were responsible for such an incident and had enough specialized equipment locally. The national percentage is 9%, the highest state percentage is 33%, and the lowest percentage is 0%.

In North Dakota, including departments which reported local personnel and equipment were enough, 10% of fire departments reported that they had a written agreement for obtaining non-local resources to respond. The national percentage is 18%, the highest state percentage is 53%, and the lowest percentage is 2%.

Table 17
Is Technical Rescue and EMS for a Building
With 50 Occupants After Structural Collapse
Within the Responsibility of Department?
by Community Size
(Q. 36a)

	Yes		No		Total	
<u>Population of Community</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>
50,000 to 99,999	2	66.7%	1	33.3%	3	100.0%
10,000 to 49,999	9	83.3%	2	16.7%	11	100.0%
2,500 to 9,999	29	85.7%	5	14.3%	34	100.0%
Under 2,500	142	47.1%	159	52.9%	301	100.0%
Total	182	58.0%	167	42.0%	349	100.0%

Source: FEMA/USFA and NFPA Survey of the Needs of the US Fire Service

The above projections are based on 50 departments reporting on the indicated question.

Numbers may not add to totals due to rounding.

Q. 36a: Is [technical rescue and EMS for a building with 50 occupants after structural collapse] within your department's responsibility?

Table 18
For Departments Where Technical Rescue and EMS For a Building
With 50 Occupants After Structural Collapse Is Within Their Responsibility,
How Far Do They Have to Go to Obtain Sufficient People
With Specialized Training to Handle Such an Incident?
by Community Size
(Q. 36b)

	Local		Regional		State		National		Total	
Population of Community	Number Depts	Percent	Number Depts	Percent	Number Depts	Percent	Number Depts	Percent	Number Depts	Percent
50,000 to 99,999	1	50.0%	0	0.0%	1	50.0%	0	0.0%	2	100.0%
10,000 to 49,999	0	0.0%	4	40.0%	6	60.0%	0	0.0%	9	100.0%
2,500 to 9,999	10	33.3%	10	33.3%	10	33.3%	0	0.0%	29	100.0%
Under 2,500	44	31.3%	53	37.5%	44	31.3%	0	0.0%	142	100.0%
Total	54	30.0%	66	37.0%	59	33.1%	0	0.0%	180	100.0%

Source: FEMA/USFA and NFPA Survey of the Needs of the US Fire Service

The above projections are based on 29 departments reporting yes on the "a" counterpart of the indicated question (i.e., Q. 36a, 37a, 38a, or 39a) and also reporting on this question.

Numbers may not add to totals due to rounding.

NA – Not applicable because no departments in this population range reported this activity was within their responsibility.

Q. 36b: If [technical rescue and EMS for a building with 50 occupants after structural collapse is within your department's responsibility], how far would you have to go to obtain enough people with specialized training for this incident?

Table 19
For Departments Where Technical Rescue and EMS For a Building
With 50 Occupants After Structural Collapse Is Within Their Responsibility,
How Far Do They Have to Go to Obtain Sufficient
Specialized Equipment to Handle Such an Incident?
by Community Size
(Q. 36c)

	Local		Regional		State		National		Total	
<u>Population of Community</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>
50,000 to 99,999	1	50.0%	0	0.0%	1	50.0%	0	0.0%	2	100.0%
10,000 to 49,999	0	0.0%	6	60.0%	4	40.0%	0	0.0%	9	100.0%
2,500 to 9,999	5	16.7%	15	50.0%	10	33.3%	0	0.0%	29	100.0%
Under 2,500	44	31.3%	53	37.5%	44	31.3%	0	0.0%	142	100.0%
Total	49	27.3%	73	40.7%	58	32.0%	0	0.0%	180	100.0%

Source: FEMA/USFA and NFPA Survey of the Needs of the US Fire Service

The above projections are based on 29 departments reporting yes on the "a" counterpart of the indicated question (i.e., Q. 36a, 37a, 38a, or 39a) and also reporting on this question.

Numbers may not add to totals due to rounding.

NA – Not applicable because no departments in this population range reported this activity was within their responsibility.

Q. 36c: If [technical rescue and EMS for a building with 50 occupants after structural collapse is within your department's responsibility], how far would you have to go to obtain enough specialized equipment to handle this incident?

Table 20
For Departments Where Technical Rescue and EMS for a Building
With 50 Occupants After Structural Collapse Is Within Their Responsibility,
Do They Have a Plan for Working With Others?
by Community Size
(Q. 36d)

<u>Population of Community</u>	Yes – Written Agreement		Yes – Informal		Yes – Other		No		Total	
	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>
50,000 to 99,999	1	50.0%	1	50.0%	0	0.0%	0	0.0%	2	100.0%
10,000 to 49,999	2	20.0%	6	60.0%	0	0.0%	2	20.0%	9	100.0%
2,500 to 9,999	10	33.3%	15	50.0%	0	0.0%	5	16.7%	29	100.0%
Under 2,500	53	37.5%	62	43.8%	9	6.3%	18	12.5%	142	100.0%
Total	65	35.9%	82	45.6%	9	4.9%	24	13.6%	180	100.0%

Source: FEMA/USFA and NFPA Survey of the Needs of the US Fire Service

The above projections are based on 29 departments reporting yes on the “a” counterpart of the indicated question (i.e., Q. 36a, 37a, 38a, or 39a) and also reporting on this question.

Numbers may not add to totals due to rounding.

NA – Not applicable because no departments in this population range reported this activity was within their responsibility.

Q. 36d: Do you have a plan for working on others on [technical rescue and EMS for a building with 50 occupants after structural collapse]?

Table 21
Is a Hazmat and EMS Incident Involving Chemical/Biological Agents
and 10 Injuries Within the Responsibility of Department?
by Community Size
(Q. 37a)

	Yes		No		Total	
<u>Population of Community</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>
50,000 to 99,999	3	100.0%	0	0.0%	3	100.0%
10,000 to 49,999	11	100.0%	0	0.0%	11	100.0%
2,500 to 9,999	24	71.4%	10	28.6%	34	100.0%
Under 2,500	115	38.2%	186	61.8%	301	100.0%
Total	153	54.0%	196	46.0%	349	100.0%

Source: FEMA/USFA and NFPA Survey of the Needs of the US Fire Service

The above projections are based on 50 departments reporting on the indicated question.

Numbers may not add to totals due to rounding.

Q. 37a: Is [hazmat and EMS for an incident involving chemical/biological agents and 10 injuries] within your department's responsibility?

Table 22
For Departments Where a Hazmat and EMS Incident
Involving Chemical/Biological Agents and 10 Injuries Is Within Their Responsibility
How Far Do They Have to Go to Obtain Sufficient People
With Specialized Training to Handle Such an Incident?
by Community Size
(Q. 37b)

	Local		Regional		State		National		Total	
<u>Population of Community</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>
50,000 to 99,999	2	66.7%	0	0.0%	1	33.3%	0	0.0%	3	100.0%
10,000 to 49,999	2	16.7%	2	16.7%	7	66.7%	0	0.0%	11	100.0%
2,500 to 9,999	0	0.0%	15	60.0%	10	40.0%	0	0.0%	24	100.0%
Under 2,500	9	7.7%	62	53.8%	44	38.5%	0	0.0%	115	100.0%
Total	13	8.3%	78	51.1%	62	40.6%	0	0.0%	153	100.0%

Source: FEMA/USFA and NFPA Survey of the Needs of the US Fire Service

The above projections are based on 27 departments reporting yes on the "a" counterpart of the indicated question (i.e., Q. 36a, 37a, 38a, or 39a) and also reporting on this question.

Numbers may not add to totals due to rounding.

Q. 37b: If [hazmat and EMS for an incident involving chemical/biological agents and 10 injuries is within your department's responsibility], how far would you have to go to obtain enough people with specialized training for this incident?

Table 23
For Departments Where a Hazmat and EMS Incident
Involving Chemical/Biological Agents and 10 Injuries Is Within Their Responsibility
How Far Do They Have to Go to Obtain Sufficient
Specialized Equipment to Handle Such An Incident?
by Community Size
(Q. 37c)

	Local		Regional		State		National		Total	
<u>Population of Community</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>
50,000 to 99,999	2	66.7%	0	0.0%	1	33.3%	0	0.0%	3	100.0%
10,000 to 49,999	2	16.7%	2	16.7%	7	66.7%	0	0.0%	11	100.0%
2,500 to 9,999	5	20.0%	10	40.0%	10	40.0%	0	0.0%	24	100.0%
Under 2,500	0	0.0%	44	38.5%	71	61.5%	0	0.0%	115	100.0%
Total	9	5.7%	56	36.4%	89	57.9%	0	0.0%	153	100.0%

Source: FEMA/USFA and NFPA Survey of the Needs of the US Fire Service

The above projections are based on 27 departments reporting yes on the "a" counterpart of the indicated question (i.e., Q. 36a, 37a, 38a, or 39a) and also reporting on this question.

Numbers may not add to totals due to rounding.

Q. 37c: If [hazmat and EMS for an incident involving chemical/biological agents and 10 injuries is within your department's responsibility], how far would you have to go to obtain enough specialized equipment to handle this incident?

Table 24
For Departments Where a Hazmat and EMS Incident
Involving Chemical/Biological Agents and 10 Injuries Is Within Their Responsibility
Do They Have a Plan for Working With Others?
by Community Size
(Q. 37d)

	Yes – Written Agreement		Yes – Informal		Yes – Other		No		Total	
<u>Population of Community</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>
50,000 to 99,999	2	66.7%	1	33.3%	0	0.0%	0	0.0%	3	100.0%
10,000 to 49,999	0	0.0%	11	100.0%	0	0.0%	0	0.0%	11	100.0%
2,500 to 9,999	5	20.0%	15	60.0%	0	0.0%	5	20.0%	24	100.0%
Under 2,500	35	30.8%	80	69.2%	0	0.0%	0	0.0%	115	100.0%
Total	42	27.6%	106	69.3%	0	0.0%	5	3.2%	153	100.0%

Source: FEMA/USFA and NFPA Survey of the Needs of the US Fire Service

The above projections are based on 27 departments reporting yes on the "a" counterpart of the indicated question (i.e., Q. 36a, 37a, 38a, or 39a) and also reporting on this question.

Numbers may not add to totals due to rounding.

Q. 37d: Do you have a plan for working on others on [hazmat and EMS for an incident involving chemical/biological agents and 10 injuries]?

Table 25
Is a Wildland/Urban Interface Fire Affecting 500 Acres
Within the Responsibility of Department?
by Community Size
(Q. 38a)

	Yes		No		Total	
<u>Population of Community</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>
50,000 to 99,999	2	66.7%	1	33.3%	3	100.0%
10,000 to 49,999	7	66.7%	4	33.3%	11	100.0%
2,500 to 9,999	29	85.7%	5	14.3%	34	100.0%
Under 2,500	283	93.9%	18	6.1%	301	100.0%
Total	321	87.8%	28	12.2%	349	100.0%

Source: FEMA/USFA and NFPA Survey of the Needs of the US Fire Service

The above projections are based on 49 departments reporting on the indicated question.

Numbers may not add to totals due to rounding.

Q. 38a: Is [a wildland/urban interface fire affecting 500 acres] within your department's responsibility?

Table 26
For Departments Where a Wildland/Urban
Interface Fire Affecting 500 Acres Is Within Their Responsibility
How Far Do They Have to Go to Obtain Sufficient People
With Specialized Training to Handle Such an Incident?
by Community Size
(Q. 38b)

	Regional		State		National		Total	
Population of Community	Number Depts	Percent	Number Depts	Percent	Number Depts	Percent	Number Depts	Percent
50,000 to 99,999	0	0.0%	1	50.0%	1	50.0%	2	100.0%
10,000 to 49,999	4	50.0%	4	50.0%	0	0.0%	7	100.0%
2,500 to 9,999	5	16.7%	24	83.3%	0	0.0%	29	100.0%
Under 2,500	119	41.9%	137	48.4%	27	9.7%	283	100.0%
Total	127	39.6%	166	51.6%	28	8.8%	321	100.0%

Source: FEMA/USFA and NFPA Survey of the Needs of the US Fire Service

The above projections are based on 43 departments reporting on the indicated question.

NA – Not applicable because activity was outside responsibility for all reporting departments in population interval.

Numbers may not add to totals due to rounding.

Q. 38b: If [wildland/urban interface fire affecting 500 acres is within your department's responsibility], how far would you have to go to obtain enough people with specialized training for this incident?

Table 27
For Departments Where a Wildland/Urban
Interface Fire Affecting 500 Acres Is Within Their Responsibility
How Far Do They Have to Go to Obtain Sufficient
Specialized Equipment to Handle Such An Incident?
by Community Size
(Q. 38c)

	Local		Regional		State		National		Total	
<u>Population of Community</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>
50,000 to 99,999	0	0.0%	1	50.0%	1	50.0%	0	0.0%	2	100.0%
10,000 to 49,999	4	50.0%	4	50.0%	0	0.0%	0	0.0%	7	100.0%
2,500 to 9,999	5	16.7%	19	66.7%	5	16.7%	0	0.0%	29	100.0%
Under 2,500	104	36.7%	151	53.3%	28	10.0%	0	0.0%	283	100.0%
Total	112	34.9%	175	54.4%	34	10.6%	0	0.0%	321	100.0%

Source: FEMA/USFA and NFPA Survey of the Needs of the US Fire Service

The above projections are based on 42 departments reporting on the indicated question.

NA – Not applicable because activity was outside responsibility for all reporting departments in population interval.

Numbers may not add to totals due to rounding.

Q. 38c: If [wildland/urban interface fire affecting 500 acres is within your department's responsibility], how far would you have to go to obtain enough specialized equipment to handle this incident?

Table 28
For Departments Where a Wildland/Urban
Interface Fire Affecting 500 Acres Is Within Their Responsibility
Do They Have a Plan for Working With Others?
by Community Size
(Q. 38d)

	Yes – Written Agreement		Yes – Informal		Yes – Other		No		Total	
Population of Community	Number Depts	Percent	Number Depts	Percent	Number Depts	Percent	Number Depts	Percent	Number Depts	Percent
50,000 to 99,999	1	50.0%	1	50.0%	0	0.0%	0	0.0%	2	100.0%
10,000 to 49,999	6	75.0%	2	25.0%	0	0.0%	0	0.0%	7	100.0%
2,500 to 9,999	10	33.3%	19	66.7%	0	0.0%	0	0.0%	29	100.0%
Under 2,500	182	64.5%	82	29.0%	18	6.5%	0	0.0%	283	100.0%
Total	199	61.8%	104	32.5%	18	5.7%	0	0.0%	321	100.0%

Source: FEMA/USFA and NFPA Survey of the Needs of the US Fire Service

The above projections are based on 43 departments reporting on the indicated question.

NA – Not applicable because activity was outside responsibility for all reporting departments in population interval.

Numbers may not add to totals due to rounding.

Q. 38d: Do you have a plan for working on others on [wildland/urban interface fire affecting 500 acres]?

Table 29
Is Mitigation of a Developing Major Flood
Within the Responsibility of Department?
by Community Size
(Q. 39a)

	Yes		No		Total	
<u>Population of Community</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>
50,000 to 99,999	1	33.3%	2	66.7%	3	100.0%
10,000 to 49,999	7	66.7%	4	33.3%	11	100.0%
2,500 to 9,999	10	28.6%	24	71.4%	34	100.0%
Under 2,500	97	32.4%	204	67.6%	301	100.0%
Total	115	36.0%	234	64.0%	349	100.0%

Source: FEMA/USFA and NFPA Survey of the Needs of the US Fire Service

The above projections are based on 50 departments reporting on the indicated question.

Numbers may not add to totals due to rounding.

Q. 39a: Is [mitigation (confining, slowing, etc.) of a developing major flood] within your department's Responsibility?

Table 30
For Departments Where Mitigation of a Major Flood Is Within Their Responsibility
How Far Do They Have to Go to Obtain Sufficient People
With Specialized Training to Handle Such an Incident?
by Community Size
(Q. 39b)

	Local		Regional		State		National		Total	
<u>Population of Community</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>
50,000 to 99,999	0	0.0%	0	0.0%	1	100.0%	0	0.0%	1	100.0%
10,000 to 49,999	0	0.0%	0	0.0%	6	75.0%	2	25.0%	7	100.0%
2,500 to 9,999	5	50.0%	0	0.0%	5	50.0%	0	0.0%	10	100.0%
Under 2,500	35	36.4%	44	45.5%	18	18.2%	0	0.0%	97	100.0%
Total	40	34.9%	44	38.3%	29	25.2%	2	1.6%	115	100.0%

Source: FEMA/USFA and NFPA Survey of the Needs of the US Fire Service

The above projections are based on 18 departments reporting yes on the "a" counterpart of the indicated question (i.e., Q. 36a, 37a, 38a, or 39a) and also reporting on this question.

Numbers may not add to totals due to rounding.

Q. 39b: If [mitigation (confining, slowing, etc.) of a developing major flood is within your department's responsibility], how far would you have to go to obtain enough people with specialized training for this incident?

Table 31
For Departments Where Mitigation of a Major Flood Is Within Their Responsibility
How Far Do They Have to Go to Obtain Sufficient
Specialized Equipment to Handle Such An Incident?
by Community Size
(Q. 39c)

Population of Community	Regional		State		National		Total			
	Number Depts	Percent	Number Depts	Percent	Number Depts	Percent	Number Depts	Percent		
50,000 to 99,999	0	0.0%	0	0.0%	1	100.0%	0	0.0%	1	100.0%
10,000 to 49,999	0	0.0%	2	25.0%	4	50.0%	2	25.0%	7	100.0%
2,500 to 9,999	5	50.0%	0	0.0%	5	50.0%	0	0.0%	10	100.0%
Under 2,500	27	27.3%	53	54.5%	18	18.2%	0	0.0%	97	100.0%
Total	31	27.2%	55	47.6%	27	23.6%	2	1.6%	115	100.0%

Source: FEMA/USFA and NFPA Survey of the Needs of the US Fire Service

The above projections are based on 18 departments reporting yes on the "a" counterpart of the indicated question (i.e., Q. 36a, 37a, 38a, or 39a) and also reporting on this question.

Numbers may not add to totals due to rounding.

Q. 39c: If [mitigation (confining, slowing, etc.) of a developing major flood is within your department's responsibility], how far would you have to go to obtain enough specialized equipment to handle this incident?

Table 32
For Departments Where Mitigation of a Major Flood Is Within Their Responsibility
Do They Have a Plan for Working With Others?
by Community Size
(Q. 39d)

	Yes – Written Agreement		Yes – Informal		Yes – Other		No		Total	
<u>Population of Community</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>	<u>Number Depts</u>	<u>Percent</u>
50,000 to 99,999	0	0.0%	1	100.0%	0	0.0%	0	0.0%	1	100.0%
10,000 to 49,999	0	0.0%	6	75.0%	0	0.0%	2	25.0%	7	100.0%
2,500 to 9,999	5	50.0%	5	50.0%	0	0.0%	0	0.0%	10	100.0%
Under 2,500	27	27.3%	53	54.5%	0	0.0%	18	18.2%	97	100.0%
Total	31	27.2%	64	55.9%	0	0.0%	20	16.9%	115	100.0%

Source: FEMA/USFA and NFPA Survey of the Needs of the US Fire Service

The above projections are based on 18 departments reporting yes on the “a” counterpart of the indicated question (i.e., Q. 36a, 37a, 38a, or 39a) and also reporting on this question.

Numbers may not add to totals due to rounding.

Q. 39d: Do you have a plan for working on others on [mitigation (confining, slowing, etc.) of a developing major flood]?

APPENDIX: SURVEY FORM

The next four pages contain the Needs Assessment Survey form.

It was printed on legal size paper (8-1/2" x 14") but has been shrunk to fit letter size paper here.

page 50 blank

**DEPARTMENT OF HOMELAND SECURITY
FEDERAL EMERGENCY MANAGEMENT AGENCY
U.S. FIRE ADMINISTRATION
SECOND SURVEY OF THE NEEDS OF THE U.S. FIRE SERVICE**

PART I. IDENTIFYING INFORMATION

Name of person completing form: _____ Date: _____
Title of person completing form: _____
Non-emergency phone number: (____) _____ Fax: (____) _____
E-mail address: _____

Please use enclosed postpaid envelope and return completed survey form to:



FEMA



Fire Analysis and Research Division
1 Batterymarch Park
Quincy, MA 02169-7471 USA
Fax: (617) 984-7478

If you fax the form back, please reduce it first to 8½" x 11" size.

PART II. BASIC INFORMATION

1. **Population** (Number of permanent residents) your department has primary responsibility to protect (exclude mutual aid areas): _____
2. **Area** (in square miles) your department has primary responsibility to protect (exclude mutual aid areas): _____

PART III. BUDGET INFORMATION

3. Do you have a plan for apparatus replacement on a regular schedule? ☐ Yes ☐ No
4. Does your normal budget cover the costs of apparatus replacement?
☐ Yes, budget covers costs ☐ No, must raise funds or seek special appropriation for purchase

*(Questions 5 and 6 are for all or mostly volunteer or call departments ONLY.
Indicate % for each, so percents sum to 100 for each question):*

5. What share (%) of your budgeted revenue is from:
____ Fire district or other taxes ____ Payments per call ____ Other local payments ____ State government
____ Fund raising (e.g., donations, raffles, suppers, events) ____ Other (specify) _____
6. What share (%) of your apparatus was:
____ Purchased new ____ Donated new ____ Purchased used ____ Donated used
____ Converted vehicles not designed as FD apparatus ____ Other (specify) _____

PART IV. PERSONNEL AND THEIR CAPABILITIES

7. Total number of full-time (career) uniformed fire fighters: _____
8. Total number of active part-time (call or volunteer) fire fighters: _____
9. Average number of career/paid firefighters on duty available to respond to emergencies (total number for department): _____
10. Average number of call/volunteer personnel who respond to a mid-day house fire: _____
11. Number of on-duty career/paid personnel assigned to an engine/pumper
(Circle one) 1-2 3 4 5+ Not applicable
12. Number of on-duty career/paid personnel assigned to a ladder/aerial
(Circle one) 1-2 3 4 5+ Not applicable

PART IV. PERSONNEL AND THEIR CAPABILITIES (continued)

13. Structural firefighting.

- a. Is this a role your department performs? (Check one) ☐ Yes ☐ No
- b. If yes, how many of your personnel who perform this duty have received formal training (not just on-the-job)? (Check one) ☐ All ☐ Most ☐ Some ☐ None
- c. Have any of your personnel been certified to any of the following levels? (Circle letters for all that apply) A. Firefighter Level I B. Firefighter Level II

14. Emergency medical service (EMS).

- a. Is this a role your department performs? (Check one) ☐ Yes ☐ No
- b. If yes, how many of your personnel who perform this duty have received formal training (not just on-the-job)? (Check one) ☐ All ☐ Most ☐ Some ☐ None
- c. If yes to a, have any of your personnel been certified to any of the following levels? (Circle letters for all that apply) A. First responder B. Basic Life Support (BLS)/EMTIntermediate (EMTI) C. Advanced Life Support (ALS)/EMTIntermediate (EMTI) D. ALS/Paramedic

15. Hazardous materials response (Hazmat).

- a. Is this a role your department performs? (Check one) ☐ Yes ☐ No
- b. If yes, how many of your personnel who perform this duty have received formal training (not just on-the-job)? (Check one) ☐ All ☐ Most ☐ Some ☐ None
- c. If yes to a, have any of your personnel been certified to any of the following levels? (Circle letters for all that apply) A. Awareness B. Operational C. Technician

16. Wildland firefighting.

- a. Is this a role your department performs? (Check one) ☐ Yes ☐ No
- b. If yes, how many of your personnel who perform this duty have received formal training (not just on-the-job)? (Check one) ☐ All ☐ Most ☐ Some ☐ None

17. Technical rescue.

- a. Is this a role your department performs? (Check one) ☐ Yes ☐ No
- b. If yes, how many of your personnel who perform this duty have received formal training (not just on-the-job)? (Check one) ☐ All ☐ Most ☐ Some ☐ None

18. Basic firefighter fitness and health.

Does your department have a program to maintain basic firefighter fitness and health (e.g., as required in NFPA 1500)? (Check one) ☐ Yes ☐ No

19. Infectious disease control.

Does your department have a program for infectious disease control? (Check one) ☐ Yes ☐ No

PART V. FIRE PREVENTION AND CODE ENFORCEMENT

20. Which of the following programs or activities does your department conduct? (Circle letters for all that apply)

- A. Plans review
- B. Permit approval
- C. Routine testing of active systems (e.g., fire sprinkler, detection/alarm, smoke control)
- D. Free distribution of home smoke alarms
- E. Juvenile firesetter program
- F. School fire safety education program based on a national model curriculum
- G. Other prevention program (specify) _____

21. Who conducts fire code inspections in your community? (Circle letters for all that apply)

- A. Full-time fire department inspectors
- B. In-service firefighters
- C. Building department
- D. Separate inspection bureau
- E. Other (specify) _____
- F. No one

22. Who determines that a fire was deliberately set? (Circle letters for all that apply)

- A. Fire department arson investigator
- B. Regional arson task force investigator
- C. State arson investigator
- D. Incident commander or other first-in fire officer
- E. Police department
- F. Contract investigator
- G. Insurance investigator
- H. Other (specify) _____

PART VI. FACILITIES, APPARATUS, AND EQUIPMENT

23. Number of fire stations: _____

Number over 40 years old: _____ Number having backup power: _____

Number equipped for exhaust emission control (e.g., diesel exhaust extraction): _____

24. Number of engines/pumpers in service: (Numbers by age should sum to total.)

Total: _____ 0-14 years old: _____ 15-19 years old: _____

20-29 years old: _____ 30 or more years old: _____ Unknown age: _____

25. Number of ladders/aerials in service: _____

Number of buildings in community that are 4 or more stories in height:

(Check one) ☐ None ☐ 1-5 ☐ 6-10 ☐ 11 or more

26. Number of ambulances or other patient transport vehicles: _____

27. Portable radios.

a. How many of your emergency responders on-duty on a single shift can be equipped with portable radios?

(Check one) ☐ All ☐ Most ☐ Some ☐ None

b. How many of your portable radios are water-resistant?

(Check one) ☐ All ☐ Most ☐ Some ☐ None ☐ Don't know

c. How many of your portable radios are intrinsically safe in an explosive atmosphere?

(Check one) ☐ All ☐ Most ☐ Some ☐ None ☐ Don't know

d. Do you have reserve portable radios equal to or greater than 10% of your in-service radios?

(Check one) ☐ Yes ☐ No ☐ Don't know

28. Self-contained breathing apparatus (SCBA).

a. How many emergency responders on-duty on a single shift can be equipped with SCBA?

(Check one) ☐ All ☐ Most ☐ Some ☐ None

b. How many of your SCBA are 10 years old or older?

(Check one) ☐ All ☐ Most ☐ Some ☐ None ☐ Don't know

29. Personal alert safety system (PASS) devices.

How many of your emergency responders on-duty on a single shift are equipped with PASS devices?

(Check one) ☐ All ☐ Most ☐ Some ☐ None

30. Personal protective clothing.

a. How many of your emergency responders are equipped with personal protective clothing?

(Check one) ☐ All ☐ Most ☐ Some ☐ None

b. How much of your personal protective clothing is at least 10 years old?

(Check one) ☐ All ☐ Most ☐ Some ☐ None ☐ Don't know

c. Do you have reserve personal protective clothing sufficient to equip 10% of your emergency responders?

(Check one) ☐ Yes ☐ No ☐ Don't know

PART VII. COMMUNICATIONS AND COMMUNICATIONS EQUIPMENT:

31. Multi-agency communication.

a. Can you communicate by radio on an incident scene with your federal, state, and local emergency response partners (includes frequency compatibility)? (Check one) ☐ Yes ☐ No ☐ Don't know

b. If yes, how many of your partners can you communicate with at an incident scene?

(Check one) ☐ All ☐ Most ☐ Some

32. Map coordinate system.

a. Do you have a map coordinate system you would use to help direct your emergency response partners to specific locations? (Check one) ☐ Yes ☐ No ☐ Don't know

b. If yes, what system do you use? (Check one) ☐ Local system — Map Grid/Street Address/Box Alarm Number

☐ Based on longitude/latitude ☐ Based on Military Grid Reference System (MGRS) or US National Grid (USNG)

☐ State Plane Coordinate System ☐ Other (specify) _____

33. Telephone communication.

Do you have 911 or similar system? (Check one) ☐ Yes, 911 basic ☐ Yes, 911 enhanced

☐ Yes, other 3-digit system (specify) _____ ☐ No

34. Dispatch.

a. Who has primary responsibility for dispatch operations? (Check one) ☐ Fire department ☐ Police department

☐ Private company ☐ Combined public safety agency ☐ Other (specify) _____

b. Do you also have a backup dispatch facility? (Check one) ☐ Yes ☐ No

35. Internet access.

a. Does your department have Internet access? (Check one) ☐ Yes ☐ No

b. If yes, describe the access you have. (Check one) ☐ All personnel have individual access

☐ One access point per station, multiple stations ☐ One access point at the only station

☐ Access at headquarters, but there are multiple stations ☐ Other (specify) _____

PART VIII. ABILITY TO HANDLE UNUSUALLY CHALLENGING INCIDENTS

Each question is based on an example incident. We want to know whether you have enough local resources to handle such an incident, and if not, how far you would have to go to obtain sufficient resources. Both the type and the size of the incident are specified to give you something specific to react to and a challenge that will often need more than local resources.

36. Technical rescue and EMS for a building with 50 occupants after structural collapse.

- a. Is this type of incident within your department's responsibility? (Check one) ☐ Yes ☐ No (If no, go to Question 37)
- b. If yes, how far would you have to go to obtain enough people with specialized training for this incident? (Check one) ☐ Local would be enough ☐ Regional ☐ State ☐ National
- c. If yes, how far would you have to go to obtain enough specialized equipment to handle this incident? (Check one) ☐ Local would be enough ☐ Regional ☐ State ☐ National
- d. If yes, do you have a plan for obtaining assistance from others on this type of incident? (Check one) ☐ Yes, written agreement ☐ Yes, informal ☐ Yes, other (specify) _____ ☐ No

37. Hazmat and EMS for an incident involving chemical/biological agents and 10 injuries.

- a. Is this type of incident within your department's responsibility? (Check one) ☐ Yes ☐ No (If no, go to Question 38)
- b. If yes, how far would you have to go to obtain enough people with specialized training for this incident? (Check one) ☐ Local would be enough ☐ Regional ☐ State ☐ National
- c. If yes, how far would you have to go to obtain enough specialized equipment to handle this incident? (Check one) ☐ Local would be enough ☐ Regional ☐ State ☐ National
- d. If yes, do you have a plan for obtaining assistance from others on this type of incident? (Check one) ☐ Yes, written agreement ☐ Yes, informal ☐ Yes, other (specify) _____ ☐ No

38. Wildland/urban interface fire affecting 500 acres.

- a. Is this type of incident within your department's responsibility? (Check one) ☐ Yes ☐ No (If no, go to Question 39)
- b. If yes, how far would you have to go to obtain enough people with specialized training for this incident? (Check one) ☐ Local would be enough ☐ Regional ☐ State ☐ National
- c. If yes, how far would you have to go to obtain enough specialized equipment to handle this incident? (Check one) ☐ Local would be enough ☐ Regional ☐ State ☐ National
- d. If yes, do you have a plan for obtaining assistance from others on this type of incident? (Check one) ☐ Yes, written agreement ☐ Yes, informal ☐ Yes, other (specify) _____ ☐ No

39. Mitigation (confining, slowing, etc.) of a developing major flood.

- a. Is this type of incident within your department's responsibility? (Check one) ☐ Yes ☐ No (If no, go to Question 40)
- b. If yes, how far would you have to go to obtain enough people with specialized training for this incident? (Check one) ☐ Local would be enough ☐ Regional ☐ State ☐ National
- c. If yes, how far would you have to go to obtain enough specialized equipment to handle this incident? (Check one) ☐ Local would be enough ☐ Regional ☐ State ☐ National
- d. If yes, do you have a plan for obtaining assistance from others on this type of incident? (Check one) ☐ Yes, written agreement ☐ Yes, informal ☐ Yes, other (specify) _____ ☐ No

PART IX. NEW AND EMERGING TECHNOLOGY

40. Thermal imaging cameras. Do you have any now or plan to acquire any?

(Check one) ☐ Now own ☐ Plan to have in 1 year ☐ Plan to have in 5 years ☐ No plan to acquire

41. Mobile data terminals. Do you have any now or plan to acquire any?

(Check one) ☐ Now own ☐ Plan to have in 1 year ☐ Plan to have in 5 years ☐ No plan to acquire

42. Advanced personnel location equipment. Do you have any now or plan to acquire any?

(Check one) ☐ Now own ☐ Plan to have in 1 year ☐ Plan to have in 5 years ☐ No plan to acquire

43. Equipment to collect chem/bio samples for analysis elsewhere. Do you have any now or plan to acquire any?

(Check one) ☐ Now own ☐ Plan to have in 1 year ☐ Plan to have in 5 years ☐ No plan to acquire

PART X. YOUR TOP 3 NEEDS IN YOUR WORDS.

44. _____

45. _____

46. _____

STATE EMS FUNDING**Dept ID 3331****Project HL12358****PROJECT NAME: STATE EMS FUND 240 INSURANCE DEPT****REPORTING PERIOD: 7-1-07 to 12-31-07**

Ambulance Service		Cumulative Total 07-09 Expenditures
Bowdon Ambulance Service		16,488.00
Casselton Ambulance Service		15,724.00
Community Volunteer EMS of LaMoure		3,640.00
Divide County Ambulance District		30,363.80
Emmons County Advanced Life Support Ambulance		6,096.00
Gackle Ambulance Service		36,262.75
Grenora Ambulance Service		45,000.00
Hillsboro Ambulance Service		14,799.06
Kidder County Ambulance		27,506.50
Kindred Area Ambulance Service		32,470.80
Lidgerwood Ambulance Service		28,534.00
McKenzie County Ambulance Service		34,096.26
McVillie Ambulance Service		23,752.06
Maddock Ambulance Service		35,137.40
Medina Ambulance Service		44,184.63
Mohall Ambulance Service		26,174.36
Napoleon Ambulance Service		24,808.00
New England Ambulance		12,419.78
Northwood Deaconess Health Center d/b/a Northwood Ambulance Service		18,200.00
Page Ambulance Service		10,685.40
Richardton-Taylor Ambulance Service		21,060.56
Rock Lake Ambulance Service		7,800.00
Sargent County Ambulance-Forman		40,154.85
Sargent County Ambulance-Milnor		6,240.00
Southwest Healthcare Services d/b/a Bowman Ambulance Service		22,074.45
Turtle Lake Ambulance Service		22,733.40
Velva Ambulance Service		16,210.20
West River Ambulance		8,246.20
Wilton Rural Ambulance District		30,926.07
Wing Rural Ambulance		20,399.60
Wishek Ambulance Service		9,726.13

Total \$ 691,914.26