

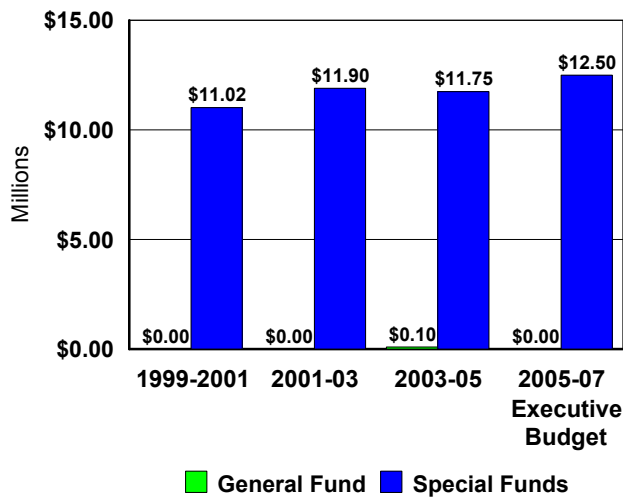
**Department 401 - Insurance Commissioner, Including Insurance Tax Payments to Fire Departments
 House Bill No. 1010**

	FTE Positions	General Fund	Other Funds	Total
2005-07 Executive Budget	46.50	\$0	\$12,497,926	\$12,497,926
2003-05 Legislative Appropriations	45.50	100,000	11,753,411 ¹	11,853,411 ²
Increase (Decrease)	1.00	(\$100,000)	\$744,515	\$644,515

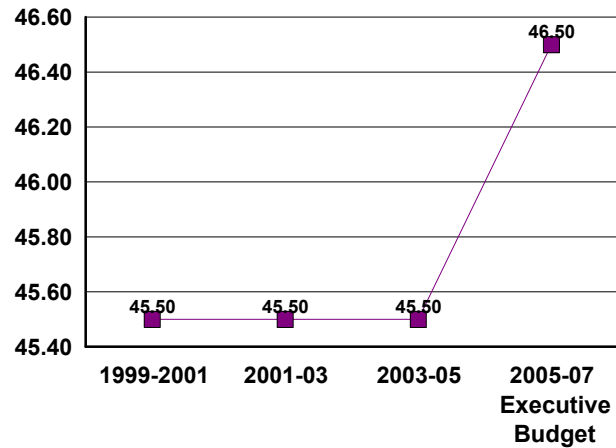
¹The 2003-05 appropriation amounts have been adjusted to reflect a special funds appropriation reduction of \$37,368 relating to an information technology reduction provided for in Section 3 of House Bill No. 1505.

²The 2003-05 appropriation amounts do not include \$150,000 of additional special funds authority resulting from Emergency Commission action during the 2003-05 biennium.

Agency Funding



FTE Positions



First House Action

Attached is a summary of the first house changes.

**Executive Budget Highlights
 (With First House Changes Noted)**

	General Fund	Other Funds	Total
1. Removes one-time funding provided by the 2003 Legislative Assembly for implementing a pharmaceutical manufacturers drug access program	(\$100,000)		(\$100,000)
2. Adds one new administrative officer FTE position		\$72,860	\$72,860
3. Increases operating expenses to provide funding for ConnectND charges		\$15,647	\$15,647
4. Adjusts operating expenses to reflect savings associated with information technology functional consolidation required by North Dakota Century Code Section 54-59-22		(\$4,081)	(\$4,081)
5. Adjusts funding for operating expenses as follows:			
An increase for information technology - Data processing		\$116,827	\$116,827
A decrease for information technology - Telephone		(\$15,621)	(\$15,621)
An increase for information technology - Software		\$1,517	\$1,517
A decrease for information technology contractual services		(\$1,242)	(\$1,242)

An increase for operating fees and services	\$100,000	\$100,000
An increase for professional services	\$50,000	\$50,000
A decrease for information technology equipment under \$5,000	<u>(\$43,803)</u>	<u>(\$43,803)</u>
Total	\$207,678	\$207,678
6. Removes funding provided in the 2003-05 biennium for information technology equipment over \$5,000	(\$6,900)	(\$6,900)
7. Includes \$55,000 of special funds relating to the payment of cost-benefit analyses of legislative measures mandating health insurance coverage, the same level of funding provided for the 2003-05 biennium		
8. Includes \$5,304,000 from the insurance tax distribution fund of which \$5.2 million is for insurance tax payments to fire departments and \$104,000 is for two equal payments to the North Dakota Firefighter's Association, the same level of funding provided for the 2003-05 biennium. The House increased insurance tax payments to fire departments by \$2 million and funding provided to the North Dakota Firefighters Association by \$16,000.		
9. Includes the statutory changes necessary to increase the commissioner's salary as follows:		
<u>Annual Salary Authorized by the 2003 Legislative Assembly</u>		
July 2003-June 2005 - \$68,018		
<u>Proposed Annual Salary Recommended in the</u>		
<u>2005-07 Executive Budget</u>		
July 2005-June 2006 - \$70,739		
July 2006-June 2007 - \$73,568		

The House reduced funding for state employee salary increases to 3 percent effective July 1, 2005, and 4 percent effective July 1, 2006, including the recommended salary increase for the Superintendent.

Proposed Annual Salary in the 2005-07 House Version

July 2005-June 2006 - \$70,059
July 2006-June 2007 - \$72,861

Major Related Legislation

House Bill No. 1010 - Administrative costs of special funds - This bill provides for administrative costs allocated to the bonding fund, 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 2003-05 biennium will result in an decrease of \$215,000 of Insurance Department administrative costs being provided from the insurance regulatory trust fund.

	2003-05 Biennium Legislative Appropriation	2005-07 Biennium Executive Recommendation	Increase (Decrease)
Bonding fund	\$35,000	\$35,000	\$0
Fire and tornado fund	\$813,576	\$988,576	\$175,000
Unsatisfied judgment fund	\$35,000	\$35,000	\$0
Petroleum tank release compensation fund	\$80,000	\$120,000	\$40,000

House Bill No. 1111 - Insurance tax payments to fire departments - This bill changes the date the insurance tax payments to fire departments are distributed from September first of each year to October first of each year.