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Title.
Fiscal No. 1

Prepared by the Legislative Council
staff for House Appropriations -
Government Operations Division
Committee

February 3, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

HOUSE BILL NO. 1010

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the insurance
2 commissioner; to create and enact a new section to chapter 26.1-23.1 of the North Dakota
3 Century Code, relating to a government self-insurance pool report; and to amend and reenact
4 section 26.1-01-09 of the North Dakota Century Code, relating to the salary of the insurance
5 commissioner.

6 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

7 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
8 as may be necessary, are appropriated from other funds derived from special funds and federal
9 funds, to the insurance commissioner for the purpose of defraying the expenses of the
10 insurance commissioner, for the biennium beginning July 1, 2025, and ending June 30, 2027,
11 as follows:

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
14 Salaries and wages	\$10,746,226	\$0	\$10,746,226
15 Operating expenses	2,637,667	0	2,637,667
16 Grants	2,400,000	0	2,400,000
17 Total other funds	\$15,783,893	\$0	\$15,783,893
18 Full-time equivalent positions	47.00	0.00	47.00
19 Salaries and wages	\$10,746,226	\$1,103,163	\$11,849,389

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1	New and vacant FTE pool	0	266,964	266,964
2	Operating expenses	2,637,667	(29,479)	2,608,188
3	Capital assets	0	90,000	90,000
4	Grants	2,400,000	0	2,400,000
5	Total other funds	\$15,783,893	\$1,430,648	\$17,214,541
6	Full-time equivalent positions	47.00	0.00	47.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE

SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding.

<u>One-Time Funding Description</u>	<u>Other Funds</u>
Radios and x-ray machine	\$90,000
Total other funds	\$90,000

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The insurance commissioner may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. ADDITIONAL INCOME - APPROPRIATION - REPORTING. In addition to the amounts appropriated in section 1 of this Act, any federal funds that become available are appropriated to the insurance commissioner, for the biennium beginning July 1, 2025, and ending June 30, 2027. The insurance commissioner shall report any additional federal funds under this section to the office of management and budget and the legislative council.

SECTION 5. AMENDMENT. Section 26.1-01-09 of the North Dakota Century Code is amended and reenacted as follows:

26.1-01-09. Salary of commissioner.

The annual salary of the commissioner is one hundred ~~thirty thousand dollars through June 30, 2024, and one hundred thirty-five thousand two hundred dollars~~ thirty-nine thousand

1 two hundred fifty-six dollars through June 30, 2026, and one hundred forty-three thousand four
2 hundred thirty-four dollars thereafter.

3 **SECTION 6.** A new section to chapter 26.1-23.1 of the North Dakota Century Code is
4 created and enacted as follows:

5 **Government self-insurance pool - Report.**

6 A government self-insurance pool organized under this chapter shall provide a report to the
7 legislative management by September thirtieth of each even-numbered year. The report must
8 include information on activities of the pool, including the claims activity, claims payment history,
9 balances, a history of complaints, and executive staff and board compensation.

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

	Base Budget	House Changes	House Version
Salaries and wages	\$10,746,226	\$1,103,163	\$11,849,389
New and vacant FTE pool		266,964	266,964
Operating expenses	2,637,667	(29,479)	2,608,188
Capital assets		90,000	90,000
Grants	2,400,000		2,400,000
Total all funds	\$15,783,893	\$1,430,648	\$17,214,541
Less estimated income	15,783,893	1,430,648	17,214,541
General fund	\$0	\$0	\$0
FTE	47.00	0.00	47.00

Department 401 - Insurance Department - Detail of House Changes

	Adjust Funding for Base Payroll Changes ¹	Adds Funding for Salary and Benefit Increases ²	Adds Funding to Replace 2023-25 New and Vacant FTE Pool ³	Transfers Funding for 2025-27 New and Vacant FTE Pool ⁴	Transfers Funding from Operating Expenses to Salaries and Wages ⁵	Adds Funding for IT Rate Increases ⁶
Salaries and wages	\$36,700	\$719,597	\$644,746	(\$381,377)	\$83,497	
New and vacant FTE pool				266,964		
Operating expenses					(83,497)	\$54,018
Capital assets						
Grants						
Total all funds	\$36,700	\$719,597	\$644,746	(\$114,413)	\$0	\$54,018
Less estimated income	36,700	719,597	644,746	(114,413)	0	54,018
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds One- Time Funding ⁷	Total House Changes
Salaries and wages		\$1,103,163
New and vacant FTE pool		266,964
Operating expenses		(29,479)
Capital assets	\$90,000	90,000
Grants		
Total all funds	\$90,000	\$1,430,648
Less estimated income	90,000	1,430,648
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding is adjusted for base payroll changes.² The following funding is added for 2025-27 biennium salary adjustments of 3 percent on July 1, 2025, and 3 percent on July 1, 2026, and increases in health insurance premiums from \$1,643 to \$1,893 per month:

	Other Funds
Salary increase	\$437,348
Health insurance increase	282,249
Total	\$719,597

³ Funding is added to replace 2023-25 biennium new and vacant FTE pool funding as follows:

	Other Funds
Vacant FTE positions	\$237,366
New FTE positions	<u>407,380</u>
Total	\$644,746

⁴ Funding of \$381,377 is removed for estimated savings from vacant 2025-27 FTE positions and \$266,964 is added for a new and vacant FTE pool line item resulting in net savings of \$114,413.

⁵ Funding of \$83,497 from other funds is transferred from the operating expenses line item to the salaries and wages line item.

⁶ Funding of \$54,018 from other funds, including \$2,161 from federal funds and \$51,857 from special funds, is added for IT rate increases.

⁷ One-time funding of \$90,000 from the insurance regulatory trust fund is added for radios and an x-ray machine.

This amendment also adds sections to:

- Appropriate any additional federal funds that become available to the Insurance Commissioner for the 2025-27 biennium.
- Increase the annual salary of the commissioner by 3 percent in the 1st year of the biennium and 3 percent in the 2nd year of the biennium.
- Require a report to the Legislative Management on the North Dakota Insurance Reserve Fund including claims, balances, and complaints.
- Provide for the use of funding in the new and vacant FTE pool line item.