

Insurance Commissioner, including Insurance Tax Payments to Fire Departments
Budget No. 401
Senate Bill No. 2010

	FTE Positions	General Fund	Other Funds	Total
2023-25 legislative appropriation	47.00	\$0	\$15,853,379 ¹	\$15,853,379 ²
2021-23 legislative appropriation	<u>38.00</u>	<u>\$0</u>	<u>31,474,180</u>	<u>31,474,180</u>
2023-25 appropriation increase (decrease) to 2021-23 appropriation	9.00	\$0	(\$15,620,801)	(\$15,620,801)

¹This amount includes \$245,840 of one-time funding. Excluding this amount, the agency's ongoing other funds appropriation is \$15,607,539.

²This amount does not include any transfers of appropriation authority from the Office of Management and Budget funding pools for targeted market equity adjustments, retirement contribution increases, or new and vacant FTE positions.

Item Description

Full-time equivalent (FTE) changes - The Legislative Assembly approved 47 FTE positions for the Insurance Commissioner for the 2023-25 biennium, an increase of 9 FTE positions from the 2021-23 biennium. The Legislative Assembly transferred 8 FTE positions from the Attorney General's office for the State Fire Marshal, added 2 FTE deputy state fire marshal positions, and removed 1 FTE position for information technology unification.

Targeted market equity - The Legislative Assembly appropriated \$82.5 million, of which \$45.1 million is from the general fund, to the Office of Management and Budget for a targeted market equity pool to be distributed to state agencies.

New and vacant FTE funding pool - The Legislative Assembly reduced \$644,746 of 2023-25 biennium special fund appropriation authority for the Insurance Commissioner for the new and vacant FTE funding pool, of which \$407,380 was reduced for new FTEs and \$237,366 was reduced for vacant FTEs.

State Fire Marshal - In Senate Bill No. 2011, the Legislative Assembly transferred the State Fire Marshal from the Attorney General's office to the Insurance Commissioner. The transfer included 8 FTE positions and an appropriation of \$2,162,899, of which \$1,797,805 was for salaries and \$365,094 was for operating expenses. The Legislative Assembly authorized 2 additional FTE deputy state fire marshal positions and appropriated

Status/Result

The status of the new FTE positions is shown below:

- On July 1, 2023, the 8 FTE positions related to the State Fire Marshal were transferred from the Attorney General's office to the Insurance Commissioner.
- As of April 2024, one of the 2 FTE deputy state fire marshal positions was hired in August 2023. The remaining position for the Williston area is being advertised.
- The position for information technology unification has been transferred to the Information Technology Department.

The Insurance Commissioner received \$128,721 of special fund authority for targeted market equity increases. Equity increases were provided to 11 employees.

The Insurance Commissioner has received \$532,798 from the new and vacant FTE funding pool for 1 new FTE deputy fire marshal position and 3 vacant FTE positions. Through January 2024, the Insurance Commissioner had estimated vacant FTE position savings of \$233,880. The department used \$13,608 of the savings for other purposes, including accrued leave payouts, extra salary increases, and temporary salary funding. The number of monthly vacancies in the department has ranged from five to three with an average monthly vacancy rate of 3.86 FTE positions.

The Attorney General's office transferred the State Fire Marshal to the Insurance Commissioner, effective July 1, 2023. As of April 2024, one of the two additional fire marshal positions has been hired and the department has been actively attempting to fill the other position in the Williston area.

\$591,441 from special funds, of which \$407,380 is for salaries and wages and \$184,061 is for related operating expenses.

Payments to North Dakota Firefighter's Association - The Legislative Assembly appropriated \$2.4 million to the North Dakota Firefighter's Association from the insurance regulatory trust fund, an increase of \$1,259,930 from the 2021-23 biennium. Previously, payments to the North Dakota Firefighter's Association were made from the insurance tax distribution fund.

One-time funding - In Section 2 of Senate Bill No. 2010, the Legislative Assembly identified \$245,840 of one-time funding appropriated in Section 1, including \$98,300 from other funds for accrued leave payouts due to retirements, \$75,000 from other funds for an office remodel, and \$72,540 from other funds for State Fire Marshal equipment.

State fire and tornado and state bonding funds study - In House Bill No. 1541, the Legislative Assembly provided for a study to determine the feasibility and desirability of changing administration of the state fire and tornado fund and state bonding fund from the Insurance Commissioner to the Director of the Office of Management and Budget.

Insurance tax payments to fire departments - In Senate Bill No. 2211, the Legislative Assembly provided a continuing appropriation for payments to North Dakota fire departments and districts from the insurance tax distribution fund. Previously, the funding was specifically appropriated to the Insurance Commissioner each biennium.

The Insurance Commissioner made the first payment of \$1,200,000 to the North Dakota Firefighter's Association in August 2023.

The following is a summary of the status of the Insurance Department's one-time funding:

Accrued leave payouts due to retirement	The department has no expenditures through April 2024 for retiree accrued leave payouts, but one of the two expected retirees will retire in January 2025.
Office remodel	The remodel was completed early in the biennium at a cost of \$72,407. The next phase is still in the planning process.
State Fire Marshal equipment	As of April 2024, the department has expended \$19,700 for a trailer and other State Fire Marshal-related equipment.

As of April 2024, the state fire and tornado and state bonding funds study is ongoing and being considered by the interim Government Finance Committee.

The department made the 2023 payments totaling \$13,494,371 to North Dakota fire departments beginning in September 2023, with all payments issued by the end of November 2023.