

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1010 - Funding Summary

| | Base Budget | Final Legislative Action | Comparison to Base Budget |
|-------------------------|--------------|--------------------------|---------------------------|
| Insurance Department | | | |
| Salaries and wages | \$10,746,226 | \$14,701,376 | \$3,955,150 |
| New and vacant FTE pool | | 325,136 | 325,136 |
| Operating expenses | 2,637,667 | 3,251,359 | 613,692 |
| Capital assets | | 90,000 | 90,000 |
| Grants | 2,400,000 | 2,400,000 | |
| Total all funds | \$15,783,893 | \$20,767,871 | \$4,983,978 |
| Less estimated income | 15,783,893 | 20,767,871 | 4,983,978 |
| General fund | \$0 | \$0 | \$0 |
| FTE | 47.00 | 57.00 | 10.00 |
| Bill total | | | |
| Total all funds | \$15,783,893 | \$20,767,871 | \$4,983,978 |
| Less estimated income | 15,783,893 | 20,767,871 | 4,983,978 |
| General fund | \$0 | \$0 | \$0 |
| FTE | 47.00 | 57.00 | 10.00 |

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 Funding⁷ | 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 | <u>282,249</u> |
| 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 information technology 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.

House Bill No. 1010 - Insurance Department - Senate Action

| | Base Budget | House Version | Senate Changes | Senate Version |
|-------------------------|----------------|------------------|-------------------|-------------------|
| Salaries and wages | \$10,746,226 | \$11,849,389 | \$2,965,237 | \$14,814,626 |
| New and vacant FTE pool | | 266,964 | 289,839 | 556,803 |
| Operating expenses | 2,637,667 | 2,608,188 | 649,001 | 3,257,189 |
| Capital assets | | 90,000 | | 90,000 |
| Grants | 2,400,000 | 2,400,000 | | 2,400,000 |
| Total all funds | \$15,783,893 | \$17,214,541 | \$3,904,077 | \$21,118,618 |
| Less estimated income | 15,783,893 | 17,214,541 | 3,904,077 | 21,118,618 |
| General fund | \$0 | \$0 | \$0 | \$0 |
| FTE | 47.00 | 47.00 | 11.00 | 58.00 |

Department 401 - Insurance Department - Detail of Senate Changes

| | Adds Funding for One FTE Position ¹ | Combines the Securities Department into the Insurance Department ² | Adds Attorney Equity Funding ³ | Adds Fire Marshal Equity Funding ⁴ | Adds Funding for Comp Time/Overtime for Fire Marshal ⁵ | Adds Funding for Accrued Leave Payout ⁶ |
|-------------------------|--|--|---|---|---|--|
| Salaries and wages | | \$2,686,987 | \$150,000 | \$45,000 | \$20,000 | \$63,250 |
| New and vacant FTE pool | \$231,667 | 58,172 | | | | |
| Operating expenses | 5,830 | 643,171 | | | | |
| Capital assets | | | | | | |
| Grants | | | | | | |
| Total all funds | \$237,497 | \$3,388,330 | \$150,000 | \$45,000 | \$20,000 | \$63,250 |
| Less estimated income | 237,497 | 3,388,330 | 150,000 | 45,000 | 20,000 | 63,250 |
| General fund | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| FTE | 1.00 | 10.00 | 0.00 | 0.00 | 0.00 | 0.00 |

| | Total Senate Changes |
|-------------------------|-------------------------|
| Salaries and wages | \$2,965,237 |
| New and vacant FTE pool | 289,839 |
| Operating expenses | 649,001 |
| Capital assets | |
| Grants | |
| Total all funds | \$3,904,077 |
| Less estimated income | 3,904,077 |
| General fund | \$0 |
| FTE | 11.00 |

¹ One FTE attorney position is added, including funding of \$231,667 in the new and vacant FTE pool and \$5,830 for operating expenses.

² Securities Department funding is transferred to the Insurance Department as a new division per Senate Bill No. 2214.

³ Salary equity funding is added for staff attorneys.

⁴ Salary equity funding is added for Fire Marshal staff.

⁵ One-time funding is added for Fire Marshal compensatory time and overtime.

⁶ One-time funding is added for accrued leave payouts.

A section is added amending Section 10-04-10 to increase securities registration fees. The fee changes are estimated to increase general fund revenues by \$3,888,320 for the 2025-27 biennium.

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

| | Base Budget | House Version | Conference Committee Changes | Conference Committee Version | Senate Version | Comparison to Senate |
|-------------------------|--------------|---------------|------------------------------|------------------------------|----------------|----------------------|
| Salaries and wages | \$10,746,226 | \$11,849,389 | \$2,851,987 | \$14,701,376 | \$14,814,626 | (\$113,250) |
| New and vacant FTE pool | | 266,964 | 58,172 | 325,136 | 556,803 | (231,667) |
| Operating expenses | 2,637,667 | 2,608,188 | 643,171 | 3,251,359 | 3,257,189 | (5,830) |
| Capital assets | | 90,000 | | 90,000 | 90,000 | |
| Grants | 2,400,000 | 2,400,000 | | 2,400,000 | 2,400,000 | |
| Total all funds | \$15,783,893 | \$17,214,541 | \$3,553,330 | \$20,767,871 | \$21,118,618 | (\$350,747) |
| Less estimated income | 15,783,893 | 17,214,541 | 3,553,330 | 20,767,871 | 21,118,618 | (350,747) |
| General fund | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| FTE | 47.00 | 47.00 | 10.00 | 57.00 | 58.00 | (1.00) |

Department 401 - Insurance Department - Detail of Conference Committee Changes

| | Combines the Securities Department into the Insurance Department ¹ | Adds Attorney Equity Funding ² | Adds Fire Marshal Equity Funding ³ | Adds Funding for Comp Time/Overtime for Fire Marshal ⁴ | Adds Funding for Accrued Leave Payout ⁵ | Total Conference Committee Changes |
|-------------------------|---|---|---|---|--|------------------------------------|
| Salaries and wages | \$2,686,987 | \$90,000 | \$25,000 | \$20,000 | \$30,000 | \$2,851,987 |
| New and vacant FTE pool | 58,172 | | | | | 58,172 |
| Operating expenses | 643,171 | | | | | 643,171 |
| Capital assets | | | | | | |
| Grants | | | | | | |
| Total all funds | \$3,388,330 | \$90,000 | \$25,000 | \$20,000 | \$30,000 | \$3,553,330 |
| Less estimated income | 3,388,330 | 90,000 | 25,000 | 20,000 | 30,000 | 3,553,330 |
| General fund | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| FTE | 10.00 | 0.00 | 0.00 | 0.00 | 0.00 | 10.00 |

¹ Securities Department funding is transferred to the Insurance Department as a new division, pursuant to Senate Bill No. 2214, the same as the Senate.

² Salary equity funding is added for staff attorneys. The Senate added \$150,000 for attorney salary equity. The Senate had also added \$237,497 for 1 FTE attorney position which the Conference Committee did not include.

³ Salary equity funding is added for Fire Marshal staff. The Senate added \$45,000 for Fire Marshal staff salary equity.

⁴ One-time funding is added for Fire Marshal compensatory time and overtime, the same as the Senate.

⁵ One-time funding is added for accrued leave payouts. The Senate added \$63,250 for accrued leave payouts.

A section is added amending Section 10-04-10 to increase securities registration fees, the same as the Senate. The fee changes are estimated to increase general fund revenues by \$3,888,320 for the 2025-27 biennium.