

DEPARTMENT 485 - WORKFORCE SAFETY AND INSURANCE 2025-27 BASE-LEVEL BUDGET

Base Budget - Summary

	<u>Base Level</u>
Workforce safety and insurance operations	\$65,954,976
Total special funds	\$65,954,976
Full-time equivalent (FTE) positions	260.14

Selected Base Budget Information

	General Fund	Other Funds	Total
Includes funding for Workforce Safety and Insurance (WSI), primarily related to salaries and wages for 260.14 FTE positions (\$52,442,850); temporary salaries (\$584,198); and information technology (IT) data processing, services, and software (\$6,644,981)	\$0	\$65,954,976	\$65,954,976

Continuing Appropriations

WSI fund - In addition to paying administrative expenses of the agency as appropriated by the Legislative Assembly and in addition to paying claims expenses pursuant to a continuing appropriation, money in the fund is used for the following other purposes pursuant to continuing appropriations:

Collection agency fees - North Dakota Century Code Section 54-06-29 - Payment of fees to The Affiliated Group to assist in collection of past-due accounts. For the 2021-23 biennium, there were no expenditures for collection agency fees.

Alternative dispute resolution - Section 65-01-18 - Up to \$50,000 in the WSI fund is appropriated each biennium on a continuing basis for an alternative dispute resolution pilot program to assess alternative options to resolve disputes with injured employees. For the 2021-23 biennium, there were no expenditures for alternative dispute resolution.

Building maintenance account - Section 65-02-05.1 - Money in the WSI building maintenance account within the WSI fund is appropriated on a continuing basis for bond principal and interest payments, operating, maintenance, repair, and payment in lieu of taxes expenses of the buildings and grounds. For the 2021-23 biennium, the account had \$1,921,707 of expenditures.

Allocated loss adjustment expenses - Section 65-02-06.1 - Money in the WSI fund is appropriated on a continuing basis for the payment of all allocated loss adjustment expenses experienced by the agency. For the 2021-23 biennium, there were \$8,197,613 of expenditures for allocated loss adjustment expenses.

Litigation expense - Section 65-02-06.2 - Money in the WSI fund is appropriated on a continuing basis for expenses associated with litigating employer-related issues and for payment of organization expenses associated with litigating medical provider-related issues. For the 2021-23 biennium, there were \$420,392 of expenditures for litigation expenses.

Reinsurance and other states' coverage - Section 65-02-13.1 - Money in the WSI fund is appropriated on a continuing basis to allow the agency to establish a program of reinsurance and a program of extraterritorial coverage and other states' insurance. For the 2021-23 biennium, there were \$2,583,250 of expenditures for reinsurance and other states' coverage.

Insurance fraud unit - Section 65-02-23 - Money in the WSI fund is appropriated on a continuing basis for the payment of costs associated with identifying, preventing, and investigating employer or provider fraud. For the 2021-23 biennium, there were \$2,196 of expenditures for the insurance fraud unit.

Independent performance evaluation - Section 65-02-30 - Money in the WSI fund is appropriated on a continuing basis for costs to complete a performance evaluation of the functions and operations of the organization every 4 years. For the 2021-23 biennium, there were \$105,750 of expenditures for independent performance evaluation.

Credit card fees - Section 65-02-38 - Money in the WSI fund is appropriated on a continuing basis for the purpose of paying fees associated with credit or debit card payments made to the organization. For the 2021-23 biennium, there were \$777,366 of expenditures for credit card fees.

Safety programs - Section 65-03-04 - Money in the WSI fund is appropriated on a continuing basis for the purpose of funding work safety and loss prevention programs. For the 2021-23 biennium, there were \$10,045,029 of expenditures for safety programs.

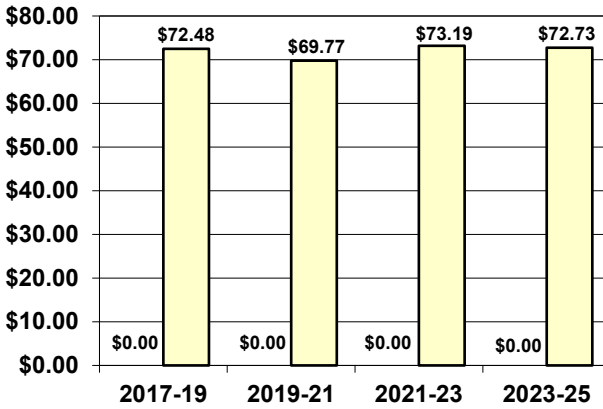
Preferred worker program - Section 65-05-36 - Money in the WSI fund is appropriated on a continuing basis for the payment of the expense of conducting a biennial independent performance evaluation. For the 2021-23 biennium, there were \$146,280 of expenditures for the program.

Vocational rehabilitation grant program - Section 65-05.1-08 - Money in the WSI fund is appropriated on a continuing basis for the purpose of funding a grant program to provide educational opportunities for injured employees within the vocational rehabilitation process, and to pay any existing educational revolving loan fund obligations. Pursuant to Senate Bill No. 2116 (2023), money from the WSI fund is no longer used to create new educational loans. For the 2021-23 biennium, there were \$199,874 of expenditures for the program.

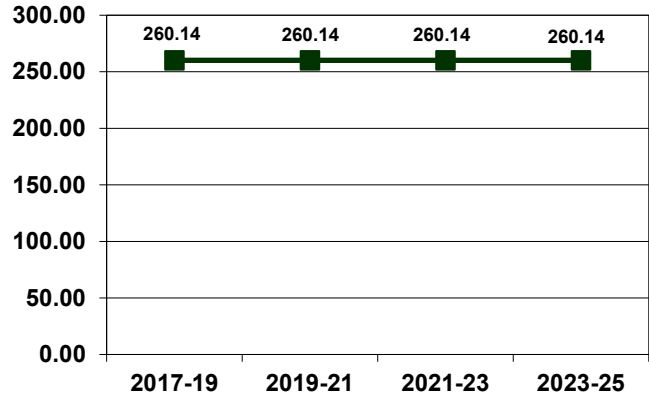
Historical Appropriations Information

Agency Appropriations and FTE Positions

Agency Funding (Millions)



FTE Positions



■ General Fund □ Other Funds

Ongoing Other Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25
Ongoing other funds appropriations	\$61,865,170	\$63,473,062	\$60,887,842	\$62,122,928	\$65,954,976
Increase (decrease) from previous biennium	N/A	\$1,607,892	(\$2,585,220)	\$1,235,086	\$3,832,048
Percentage increase (decrease) from previous biennium	N/A	2.6%	(4.1%)	2.0%	6.2%
Cumulative percentage increase (decrease) from 2015-17 biennium	N/A	2.6%	(1.6%)	0.4%	6.6%

Major Increases (Decreases) in Ongoing Other Funds Appropriations

2017-19 Biennium

1. Reduced funding for temporary salaries (\$357,942)
2. Increased funding for operating expenses, including increases in professional service fees and IT data processing \$1,199,920
3. Removed funding for credit card fees (\$1,200,000)

2019-21 Biennium

1. Unfunded 6 FTE positions (\$1,012,252)
2. Reduced funding for operating expenses, primarily related to professional service fees (\$2,332,176)

2021-23 Biennium

1. Reduced funding for operating expenses, primarily related to travel, IT software supplies, rent, IT data processing, IT contractual services and repairs, and professional development (\$1,332,010)

2023-25 Biennium

1. Adds funding from the WSI fund for IT contractual services for software support \$1,637,572

One-Time Other Funds Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25
One-time other funds appropriations	\$7,000,000	\$9,008,597	\$8,878,052	\$11,064,000	\$6,780,000

Major One-Time Other Funds Appropriations

2017-19 Biennium

- | | |
|---|-------------|
| 1. Claims and policy system replacement project | \$8,120,097 |
| 2. myWSI enhancement project | \$538,500 |
| 3. Internal reporting system | \$275,000 |
| 4. Electronic payment processing system | \$75,000 |

2019-21 Biennium

- | | |
|--|-------------|
| 1. Claims and policy system replacement project | \$7,010,000 |
| 2. myWSI enhancement project | \$850,000 |
| 3. COVID-19 pandemic first responder workers compensation claims (federal funds) | \$1,018,052 |

2021-23 Biennium

- | | |
|---|-------------|
| 1. Claims and policy system replacement project | \$7,500,000 |
| 2. myWSI enhancement project | \$3,050,000 |
| 3. WSI building upgrades | \$514,000 |

2023-25 Biennium

- | | |
|---|-------------|
| 1. Claims and policy system replacement project | \$4,950,000 |
| 2. myWSI enhancement project | \$1,830,000 |