

**Workforce Safety and Insurance
Budget No. 485
House Bill No. 1021**

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriation	260.14	\$0	\$80,434,139	\$80,434,139
2023-25 legislative appropriation	260.14	0	72,734,976	72,734,976
2025-27 appropriation increase (decrease) to 2023-25 appropriation	0.00	\$0	\$7,699,163	\$7,699,163

Item Description

FTE position changes - The Legislative Assembly approved 260.14 FTE positions for Workforce Safety and Insurance (WSI) for the 2025-27 biennium, the same as the 2023-25 biennium.

New and vacant FTE pool - The Legislative Assembly transferred \$4,555,725 for estimated savings from vacant FTE positions from the WSI line item to the new and vacant FTE pool line item and reduced the amount to \$3,189,008 for estimated savings from vacant FTE positions.

One-time funding - The Legislative Assembly appropriated \$8.57 million of one-time funding from the WSI Fund for the 2025-27 biennium, including:

	Other Funds
Claims and policy system (CAPS)	\$5,208,325
myWSI enhancement project	1,366,050
Building improvements	2,000,000
Total	\$8,574,375

Claims and policy system - In Senate Bill No. 2021 (2015), the Legislative Assembly appropriated \$6 million of one-time funding from the WSI Fund for a computer software replacement project, also known as CAPS. The project is designed to replace core WSI business systems, which support injury services and employer services, with current industry web-based technology in order to improve customer service, enhance system maintainability, and provide enhanced reporting and accessibility to information. The project consists of five phases and 20 smaller projects, or releases, as shown in the schedule below.

Phase	Number of Releases
Planning and analysis	
Shared components refacing	3
Policyholder services application refacing	6
Claims management system refacing	11
Program finalization	

Status/Result

No changes to FTE positions were made by the 2025 Legislative Assembly.

The agency has not utilized any funding from the new and vacant FTE pool line item. The agency had estimated vacant FTE position savings of \$1,074,996 during the first 7 months of the 2025-27 biennium. The agency used \$371,844 of the savings for accrued leave payouts, salary increases, bonuses, overtime, and temporary salary funding. The number of vacancies in the agency has ranged from 15.60 to 19.60 FTEs with an average monthly vacancy rate of 17.77 FTE positions.

The following is a summary of the status of the WSI one-time funding items:

Claims and policy system	See the Claims and policy system section below.
myWSI enhancement project	See the myWSI enhancement project section below.
Building improvements	Through March 2026, WSI has spent \$372,521 on building improvements. The carpet installation project was completed in April 2026, and the roof replacement and bathroom upgrades are anticipated to be completed in summer 2026. The agency anticipates spending the entire appropriation during the 2025-27 biennium.

The status of the CAPS phases are as follows:

Phase	Status	Completion Date
Planning and analysis	Complete	June 2015
Shared components refacing	Complete	February 2017
Policyholder services application refacing	Complete	August 2022
Claims management system refacing	Incomplete	2031 (Projected)
Program finalization	Incomplete	2031 (Projected)

The status of the CAPS releases are as follows:

Biennium	Releases Completed	Expenditures
2015-17 ¹	1-3	\$4,560,510
2017-19 ²	4-6	5,123,510
2019-21 ³	7-8	4,684,128
2021-23 ⁴	9-10	3,615,359
2023-25 ⁵	11	4,334,781

The Legislative Assembly has appropriated \$38.8 million of one-time funding from the WSI Fund for the project as follows:

Biennium	Planned Releases	Appropriation
2015-17	1-3	\$6,000,000
2017-19	4-6	8,120,097
2019-21 ¹	7-10	7,010,000
2021-23 ²	9-13	7,500,000
2023-25	11-12	4,950,000
2025-27	12-13	5,208,325
Total		\$38,788,422

¹The COVID-19 pandemic delayed the progress of Releases 9 and 10 during the 2019-21 biennium, resulting in the releases being rescheduled for the 2021-23 biennium.

²Supply chain issues related to the COVID-19 pandemic delayed the progress of Releases 11, 12, and 13 during the 2021-23 biennium, resulting in the releases being rescheduled for subsequent bienniums.

myWSI enhancement project - The myWSI enhancement project was approved by the Legislative Assembly in House Bill No. 1021 (2017) to create a secure extranet portal for injured workers, employers, and medical providers. The project will add functionality to the existing extranet, integrate claims and policy documents, add forms for collecting information, and add dashboards to access information. The project includes nine releases. The Legislative Assembly has appropriated \$7.6 million of one-time funding from the WSI Fund for the project as follows:

Biennium	Planned Releases	Appropriation
2017-19	1-2	\$538,500
2019-21	3-4	850,000
2021-23 ¹	5-9	3,050,000
2023-25	7-8	1,830,000
2025-27	8-9	1,366,050
Total		\$7,634,550

¹The COVID-19 pandemic delayed the progress of Releases 7, 8, and 9 during the 2021-23 biennium, resulting in the releases being rescheduled for subsequent bienniums.

2025-27 ⁶	12-13 (estimated)	4,862,475
Total		\$27,180,763

¹Of the \$6,000,000 appropriated for the CAPS project, \$1,439,490 was not spent and was canceled at the end of the 2015-17 biennium.

²Of the \$8,120,097 appropriated for the CAPS project, \$2,996,587 was not spent on the project. Of the remaining funding, \$410,329 was used for the myWSI enhancement project while \$2,586,258 was canceled at the end of the 2017-19 biennium.

³Of the \$7,010,000 appropriated for the CAPS project, \$2,325,872 was not spent and was canceled at the end of the 2019-21 biennium. The COVID-19 pandemic delayed the project's progress, resulting in Releases 9 and 10 being rescheduled for completion during the 2021-23 biennium.

⁴Of the \$7,500,000 appropriated for the CAPS project, \$3,884,641 was not spent and was canceled at the end of the 2021-23 biennium. Supply chain issues related to the COVID-19 pandemic resulted in Releases 11 and 12 being rescheduled for completion during the 2023-25 biennium.

⁵Of the \$4,950,000 appropriated for the CAPS project, \$615,219 was not spent and was canceled at the end of the 2023-25 biennium.

⁶Expenditures listed for the 2025-27 biennium include actual expenditures of \$1,293,761 through April 2026 and estimated expenditures for the remainder of the biennium. The agency completed Release 12 in September 2025 and anticipates completing Release 13 in October 2026.

The agency anticipates additional funding of approximately \$6.5 million will be needed to continue the project during the 2027-29 biennium. The anticipated completion date for the entire project is 2031 at an estimated cost of \$37.7 million.

The status of the myWSI enhancement project releases and expenditures is shown below.

Biennium	Releases Completed	Expenditures
2015-17 ¹	0	\$469,031
2017-19 ²	1-2	948,829
2019-21	3-4	843,890
2021-23 ³	5-6	2,285,443
2023-25 ⁴	7	1,546,007
2025-27 ⁵	8-9 (estimated)	1,403,786
Total		\$7,496,986

¹During the 2015-17 biennium, WSI used \$469,031 of savings from the CAPS project to begin the planning phase of the myWSI enhancement project for extranet infrastructure analysis.

²In addition to the \$538,500 appropriated for the myWSI enhancement project for the 2017-19 biennium, WSI spent \$410,329 on the project by using savings from the CAPS project, resulting in a total of \$948,829 spent on the myWSI enhancement project during the 2017-19 biennium.

³Of the \$3,050,000 appropriated for the myWSI enhancement project, \$764,557 was not spent and was canceled at the end of the 2021-23 biennium.

⁴Of the \$1,830,000 appropriated for the myWSI enhancement project, \$283,993 was not spent and was canceled at the end of the 2023-25 biennium.

⁵Expenditures listed for the 2025-27 biennium include actual expenditures of \$846,352 through April 2026 and estimated expenditures for the remainder of the biennium, which includes \$37,736 from other agency savings, estimated to be repurposed for the project. The agency completed Release 8 in September 2025 and anticipates completing Release 9, the final release of the project, in October 2026.

Financial reserves - North Dakota Century Code Section 65-04-02 requires WSI to maintain financial reserves plus available surplus of at least 120 percent but not more than 140 percent of the actuarially established discounted reserve, as of June 30 each year. Available surplus is defined as net assets stated on the statement of net assets of the agency, excluding funds designated or obligated to specific programs or projects pursuant to a directive or specific approval by the Legislative Assembly.

If the level of financial reserves plus available surplus determined as of June 30 of any year, as a percentage of the actuarially established discounted reserve, is:

- Below 120 percent - The agency may not issue premium dividends and shall modify recommended premium rate levels to come into compliance within the following 2 years.
- Between 120 and 130 percent - The agency may not issue premium dividends.
- Between 130 and 140 percent - The agency may issue premium dividends, not to exceed 40 percent of the preceding year's premium, and the level of financial reserves plus available surplus may not be reduced below 130 percent.
- Above 140 percent - The agency shall issue premium dividends in a fiscally prudent manner to come into compliance within the following 2 years, not to exceed 50 percent of the preceding year's premium.

As of June 30, 2025, WSI's actuarially established discounted financial reserve was \$920 million and available surplus was \$1.17 billion. Under Section 65-04-02, the discounted reserve, plus available surplus, is required to be between 120 and 140 percent of the discounted reserve, or between \$1.10 billion and \$1.29 billion for fiscal year 2025. The discounted reserve plus available surplus totaled \$2.09 billion, or 227.2 percent of the discounted reserve for fiscal year 2025.

The following is a summary of discounted reserve and available surplus values:

Value as of June 30	Discounted Reserve	Available Surplus	Discounted Reserve Plus Available Surplus	Percent Of Discounted Reserve
2018	\$1.05 billion	\$650 million	\$1.70 billion	161.9%
2019	\$1.09 billion	\$742 million	\$1.83 billion	168.0%
2020	\$1.03 billion	\$880 million	\$1.91 billion	185.5%
2021	\$1.00 billion	\$1.11 billion	\$2.11 billion	210.8%
2022	\$999 million	\$870 million	\$1.87 billion	187.1%
2023	\$950 million	\$910 million	\$1.86 billion	195.8%
2024	\$918 million	\$1.03 billion	\$1.95 billion	212.3%
2025	\$920 million	\$1.17 billion	\$2.09 billion	227.2%

Pursuant to subsection 3 of Section 65-04-02, the agency is required to issue premium dividends, not to exceed 50 percent of the preceding year's premium. The WSI Board of Directors declared a 50 percent dividend for premiums billed in fiscal year 2025. The agency has issued dividend credits in 20 of the previous 21 fiscal years, totaling approximately \$1.8 billion.

Despite sustained premium rate reductions and maximum-allowed dividend credits, strong investment performance has kept the discounted reserve ratio above 140 percent. For policies incepting and renewing in fiscal year 2025, WSI anticipated average statewide premium levels to decrease by approximately 5.5 percent compared to decreases in 2024 and 2023 of 0.6 percent and 7.7 percent, respectively.