

DEPARTMENT 485 - WORKFORCE SAFETY AND INSURANCE 2027-29 BASE-LEVEL BUDGET

Base Budget - Summary

	<u>Base Level</u>
Workforce Safety and Insurance (WSI) operations	\$68,670,756
New and vacant FTE pool	<u>3,189,008</u>
Total special funds	\$71,859,764
FTE positions	260.14

Selected Base Budget Information

	General Fund	Other Funds	Total
1. Includes funding for WSI, primarily related to salaries and wages for 260.14 FTE positions (\$56,187,274); information technology (IT) data processing, services, and software (\$6,972,556); supplies and travel (\$2,286,708); and temporary salaries (\$447,240)	\$0	\$68,670,756	\$68,670,756
2. Includes a portion of the funding removed from the WSI operations line item for estimated savings from vacant FTE positions. Funding may be transferred from this line if savings from vacant positions is less than estimated.	\$0	\$3,189,008	\$3,189,008

Continuing Appropriations

Workforce Safety and Insurance 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 2023-25 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 2023-25 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, and repair expenses; and payment in lieu of taxes for the buildings and grounds. For the 2023-25 biennium, the account had \$1,872,501 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 2023-25 biennium, there were \$7,683,151 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 2023-25 biennium, there were \$518,716 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 2023-25 biennium, there were \$3,383,835 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 2023-25 biennium, there were \$4,776 of expenditures for the Insurance Fraud Unit.

Credit and debit 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 2023-25 biennium, there were \$832,974 of expenditures for credit and debit 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 2023-25 biennium, there were \$10,468,969 of expenditures for safety programs.

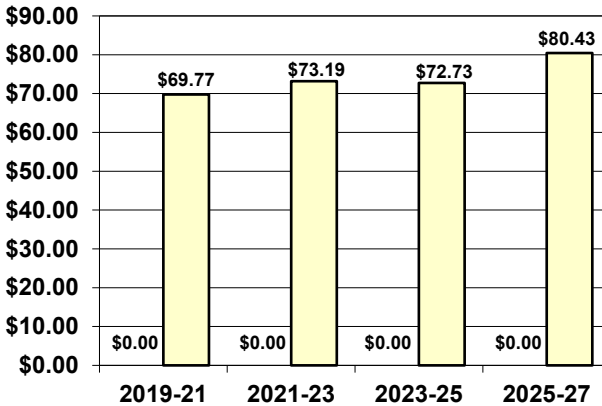
Preferred Worker Program - Section 65-05-36 - Money in the WSI Fund is appropriated on a continuing basis to provide assistance authorized under the Preferred Worker Program to preferred workers or employers who employ preferred workers. For the 2023-25 biennium, there were no expenditures for the program.

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. For the 2023-25 biennium, there were \$199,258 of expenditures for the program.

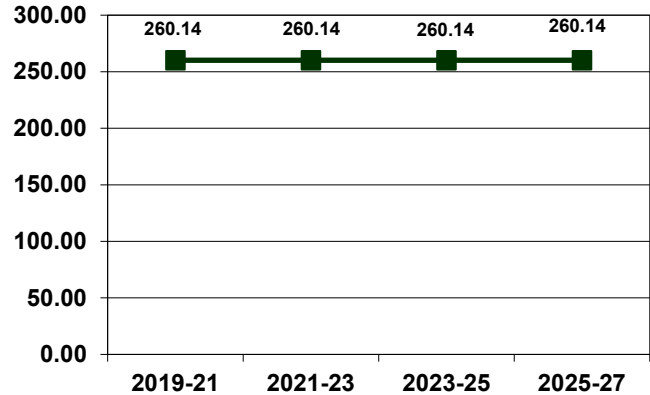
Historical Appropriations Information

Agency Appropriations and FTE Positions

Agency Funding (Millions)



FTE Positions



■ General Fund □ Other Funds

Other Funds

Major sources of special funds include:

- **WSI Fund** - The operating fund for WSI, pursuant to Chapter 65-02. Revenue in the fund is primarily derived from workers' compensation premiums paid by North Dakota employers, supplemented by investment income earned on fund assets. The fund supports all agency operations, including salaries and wages, operating expenses, claims expenses, safety programs, and employer dividend credits.

Other Funds Appropriations

	2017-19	2019-21	2021-23	2023-25	2025-27
Other funds appropriations	\$72,481,659	\$69,765,894	\$73,186,928	\$72,734,976	\$80,434,139
Increase (decrease) from previous biennium	N/A	(\$2,715,765)	\$3,421,034	(\$451,952)	\$7,699,163
Percentage increase (decrease) from previous biennium	N/A	(3.7%)	4.9%	(0.6%)	10.6%
Cumulative percentage increase (decrease) from 2017-19 biennium	N/A	(3.7%)	1.0%	0.3%	11.0%

Major Increases (Decreases) in Other Funds Appropriations

2019-21 Biennium

Ongoing

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

One-time

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

Ongoing

- 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)

One-time

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**Ongoing**

Added funding from the WSI Fund for IT contractual services for software support	\$1,637,572
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One-time

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

2025-27 Biennium**Ongoing**

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| 1. Added funding for IT rate increases | \$315,976 |
| 2. Removed funding for temporary salaries and operating expenses, including office equipment, travel, and professional development | (\$442,259) |

One-time

- | | |
|---|-------------|
| 1. Claims and policy system replacement project | \$5,208,325 |
| 2. myWSI enhancement project | \$1,366,050 |
| 3. WSI building improvements | \$2,000,000 |