

**Workforce Safety and Insurance
Budget No. 485
Senate Bill No. 2021**

	FTE Positions	General Fund	Other Funds	Total
2023-25 legislative appropriations	260.14	\$0	\$72,023,722	\$72,023,722
2023-25 base budget	260.14	0	62,122,928	62,122,928
Legislative increase (decrease) to base budget	0.00	\$0	\$9,900,794	\$9,900,794

**SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS
Changes to Base Budget**

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Adjusted funding for base payroll changes			\$379,160	\$379,160
Added funding to provide employee salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024			3,418,583	3,418,583
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,643 per month			1,189,468	1,189,468
Transferred funding for new FTE positions and estimated savings from vacant FTE positions to a new and vacant FTE funding pool in the Office of Management and Budget			(3,701,233)	(3,701,233)
Added funding for information technology rate increases			197,244	197,244
Added funding for information technology contractual services for software support			1,637,572	1,637,572
Added one-time funding for the claims and policy system replacement project			4,950,000	4,950,000
Added one-time funding for the myWSI enhancement project			1,830,000	1,830,000
Total	<u>0.00</u>	<u>\$0</u>	<u>\$9,900,794</u>	<u>\$9,900,794</u>

FTE Changes

The Legislative Assembly approved 260.14 FTE positions for Workforce Safety and Insurance (WSI) for the 2023-25 biennium, the same as the 2021-23 biennium.

One-Time Funding

In Section 2 of Senate Bill No. 2021, the Legislative Assembly identified \$6,780,000 of one-time funding for WSI for the 2023-25 biennium, of which \$4,950,000 is for the claims and policy system replacement project and \$1,830,000 is for the myWSI enhancement project.

Other Sections in Senate Bill No. 2021

Section 3 provides WSI an exemption to continue the \$291,000 transferred from the Office of Management and Budget to WSI from the federal State Fiscal Recovery Fund during the November 2021 special legislative session for deferred maintenance of the WSI building into the 2023-25 biennium.

Claims and Policy System

The claims and policy system is a program 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 claims and policy system program consists of 5 phases and 20 smaller projects, or releases, as shown in the schedule below.

Phase	Number of Releases	Status	Completion Date
Planning and analysis		Complete	June 2015
Shared components refacing	3	Complete	February 2017
Policyholder services application refacing	6	Complete	August 2022
Claims management system refacing	11	Incomplete	May 2031 (Projected)
Program finalization		Incomplete	May 2031 (Projected)

The schedule below provides the legislative appropriations from the WSI fund for the claims and policy system project.

Biennium	Releases	Appropriations	Expenditures
2015-17	1 - 3	\$6,000,000	\$4,560,510
2017-19	4 - 6	8,120,097	5,052,599
2019-21	7 - 10 ¹	7,010,000	4,464,467
2021-23	9 - 10 ¹	7,500,000	3,746,274 ²
2023-25	11 - 12	4,950,000	N/A
Total		\$33,580,097	N/A

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.
²Expenditures listed for the 2021-23 biennium include actual expenditures through April 2023 and estimates expenditures for May and June 2023.

Workforce Safety and Insurance anticipates additional funding of approximately \$14 million will be needed in the 2025-27, 2027-29, and 2029-31 bienniums to complete the project and meet the May 2031 projected completion date. Workforce Safety and Insurance estimates total expenditures for the project will be approximately \$36.8 million.

MyWSI Enhancement Project

The myWSI enhancement project was approved by the 2017 Legislative Assembly 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 schedule below provides the legislative appropriations from the WSI fund for the myWSI enhancement project.

Biennium	Releases	Appropriations	Expenditures
2015-17	0	\$0	\$469,031 ¹
2017-19	1 - 2	538,500	948,829 ²
2019-21	3 - 4	850,000	843,890
2021-23	5 - 6	3,050,000	2,438,445 ³
2023-25	7 - 8	1,830,000	N/A
Total		\$6,268,500	N/A

¹During the 2015-17 biennium, WSI used \$469,031 of savings from the claims and policy system 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 claims and policy system project, resulting in a total of \$948,829 spent on the project during the 2017-19 biennium.
³Expenditures listed for the 2021-23 biennium include actual expenditures through April 2023 and estimates expenditures for May and June 2023.

Workforce Safety and Insurance anticipates additional funding of approximately \$200,000 will be needed to complete Release 9 and the entire project during the 2025-27 biennium. Workforce Safety and Insurance anticipates the project will be completed in September 2026 at a total cost of approximately \$6.7 million.

Related Legislation

House Bill No. 1279 (2023) - Law enforcement eligibility - Provides the 5-year continuous service requirement for full-time paid law enforcement and paid firefighter personnel for eligibility for conditions covered under the presumption clause can include full-time paid service from outside of the state. The bill adjusts requirements related to periodic medical examinations, extends presumption coverage to full-time paid law enforcement and paid firefighter personnel with less than 5 years of continuous service for cardiac-related events that result from strenuous activity and occur within 48 hours of engaging or participating in that activity, and provides for retroactive application for claims filed after October 1, 2021.

Senate Bill No. 2015 (2023) - Funding pools - Includes funding pools from which the agency may receive allocations, including the:

- Employer retirement contribution pool from which the agency is to receive \$254,365 from other funds in accordance with provisions of Section 23 of Senate Bill No. 2015 for the 1 percent employer retirement contribution increase provided for in House Bill No. 1040 (2023);
- New and vacant FTE funding pool from which the agency may request funding when hiring new FTE positions or if the agency does not realize sufficient savings from vacant FTE positions in accordance with provisions of Section 22 of Senate Bill No. 2015; and
- Targeted market equity pool from which the agency may receive an allocation as determined by the Office of Management and Budget in accordance with provisions of Section 20 of Senate Bill No. 2015.

Senate Bill No. 2038 (2023) - Performance evaluation - Repeals North Dakota Century Code Section 65-02-30, which provides 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.

Senate Bill No. 2040 (2023) - Workers' Compensation Review Committee - Repeals the Workers' Compensation Review Committee.