

Department 485 - Workforce Safety and Insurance
Senate Bill No. 2021

First Chamber Comparison to Base Level

	General Fund	Other Funds	Total
2023-25 First Chamber Version	\$0	\$74,886,832	\$74,886,832
2023-25 Base Level	0	62,122,928	62,122,928
Increase (Decrease)	\$0	\$12,763,904	\$12,763,904

First Chamber Changes

A summary of the first chamber's changes to the agency's base level appropriations and the executive budget is attached as an appendix.

Selected Bill Sections Included in the First Chamber Version

Exemption - Federal State Fiscal Recovery Fund - Deferred maintenance of state-owned buildings - Section 3 provides an exemption to Workforce Safety and Insurance (WSI) to continue funding transferred from the Office of Management and Budget (OMB) from the federal State Fiscal Recovery Fund for deferred maintenance of state-owned buildings during the 2021-23 biennium into the 2023-25 biennium. During the 2021-23 biennium, OMB transferred \$291,000 to WSI.

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.

Information fund - Section 65-01-13 - Money in the WSI information fund is appropriated on a continuing basis for the payment of publication and statistical processing expenses incurred by the agency.

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.

Building maintenance account - Section 65-02-05.1 - Money in the WSI building maintenance account 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.

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.

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.

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.

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.

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.

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.

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.

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.

Educational revolving loan fund - Section 65-05.1-08 - Money in the WSI educational revolving loan fund is appropriated on a continuing basis to maintain the fund and provide loans to individuals wanting to pursue a postsecondary education.

Deficiency Appropriations

There are no deficiency appropriations for this agency.

Significant Audit Findings

The financial statement audit for WSI conducted by Eide Bailly LLP, for the period ending June 30, 2022, identified no significant audit findings.

Major Related Legislation

House Bill No. 1279 - This bill 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.

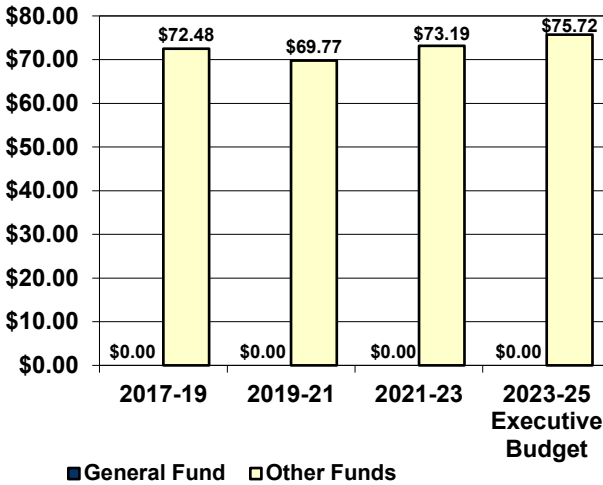
Senate Bill No. 2038 - This bill repeals Section 65-02-30, which provides money in the WSI fund is appropriated on a continuing basis for costs to complete a performance evaluation of the functions and operations of the organization every 4 years.

Senate Bill No. 2040 - This bill repeals the Workers' Compensation Review Committee.

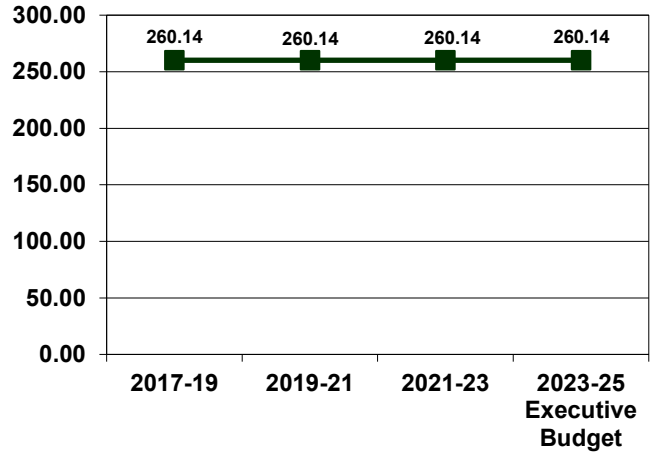
Historical Appropriations Information

Agency Appropriations and FTE Positions

Agency Funding (Millions)



FTE Positions



Ongoing Other Funds Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25 Executive Budget
Ongoing other funds appropriations	\$61,865,170	\$63,473,062	\$60,887,842	\$62,122,928	\$68,944,955
Increase (decrease) from previous biennium	N/A	\$1,607,892	(\$2,585,220)	\$1,235,086	\$6,822,027
Percentage increase (decrease) from previous biennium	N/A	2.6%	(4.1%)	2.0%	11.0%
Cumulative percentage increase (decrease) from 2015-17 biennium	N/A	2.6%	(1.6%)	0.4%	11.4%

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 information technology (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

- 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 (Executive Budget Recommendation)

- 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 Executive Budget
One-time general fund 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 (Executive Budget Recommendation)

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

Workforce Safety and Insurance - Budget No. 485
Senate Bill No. 2021
Base Level Funding Changes

	Executive Budget Recommendation				Senate Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2023-25 Biennium Base Level	260.14	\$0	\$62,122,928	\$62,122,928	260.14	\$0	\$62,122,928	\$62,122,928
2023-25 Ongoing Funding Changes								
Adds funding for the cost to continue salary increases			\$379,160	\$379,160			\$379,160	\$379,160
Salary increase			3,418,583	3,418,583			2,553,097	2,553,097
Health insurance increase			1,189,468	1,189,468			1,216,831	1,216,831
Adds funding for IT rate increases			197,244	197,244			197,244	197,244
Adds funding for IT contractual services for software support			1,637,572	1,637,572			1,637,572	1,637,572
Total ongoing funding changes	0.00	\$0	\$6,822,027	\$6,822,027	0.00	\$0	\$5,983,904	\$5,983,904
One-Time Funding Items								
Adds funding for the claims and policy system replacement project			\$4,950,000	\$4,950,000			\$4,950,000	\$4,950,000
Adds funding for the myWSI enhancement project			1,830,000	1,830,000			1,830,000	1,830,000
Total one-time funding changes	0.00	\$0	\$6,780,000	\$6,780,000	0.00	\$0	\$6,780,000	\$6,780,000
Total Changes to Base Level Funding	0.00	\$0	\$13,602,027	\$13,602,027	0.00	\$0	\$12,763,904	\$12,763,904
2023-25 Total Funding	260.14	\$0	\$75,724,955	\$75,724,955	260.14	\$0	\$74,886,832	\$74,886,832
<i>Federal funds included in other funds</i>			\$0				\$0	
<i>Total ongoing changes as a percentage of base level</i>	0.0%		11.0%	11.0%	0.0%		9.6%	9.6%
<i>Total changes as a percentage of base level</i>	0.0%		21.9%	21.9%	0.0%		20.5%	20.5%

Other Sections in Workforce Safety and Insurance - Budget No. 485

	Executive Budget Recommendation	Senate Version
Exemption - Federal State Fiscal Recovery Fund - Deferred maintenance of state-owned buildings		Section 3 provides an exemption to WSI to continue funding transferred from OMB from the federal State Fiscal Recovery Fund for deferred maintenance of state-owned buildings during the 2021-23 biennium into the 2023-25 biennium. During the 2021-23 biennium, OMB transferred \$291,000 to WSI.