

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

	FTE Positions	General Fund	Other Funds	Total
<b>2021-23 legislative appropriations</b>	<b>260.14</b>	<b>\$0</b>	<b>\$73,186,928</b>	<b>\$73,186,928</b>
2021-23 base budget	260.14	0	60,887,842	60,887,842
Legislative increase (decrease) to base budget	0.00	\$0	\$12,299,086	\$12,299,086

**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, primarily to restore salaries and wages funding for 6 FTE positions, which were unfunded during the 2019-21 biennium			\$1,332,010	\$1,332,010
Added funding to provide employee salary increases of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100 and 2.0 percent on July 1, 2022			1,190,742	1,190,742
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,428.77 per month			12,287	12,287
Reduced funding for operating expenses, primarily related to travel, information technology software supplies, rent, information technology data processing, information technology contractual services and repairs, and professional development			(1,332,010)	(1,332,010)
Added funding for Microsoft Office 365 license expenses			32,057	32,057
Added <b>one-time funding</b> for the claims and policy system replacement project			7,500,000	7,500,000
Added <b>one-time funding</b> for the myWSI enhancement project			3,050,000	3,050,000
Added <b>one-time funding</b> for building upgrades, including costs related to lighting, elevator door operators, and geothermal heat pump replacements			514,000	514,000
Total	<u>0.00</u>	<u>\$0</u>	<u>\$12,299,086</u>	<u>\$12,299,086</u>

**FTE Changes**

The Legislative Assembly approved 260.14 FTE positions for Workforce Safety and Insurance (WSI) for the 2021-23 biennium, the same as the 2019-21 biennium.

### One-Time Funding

In Section 2 of House Bill No. 1021, the Legislative Assembly identified \$11,064,000 of one-time funding for WSI for the 2021-23 biennium, of which \$7,500,000 is for the claims and policy system replacement project, \$3,050,000 is for the myWSI enhancement project, and \$514,000 is for upgrades to the WSI building.

### 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	Incomplete	April 2022 (Projected)
Claims management system refacing	11	Incomplete	December 2026 (Projected)
Program finalization		Incomplete	December 2026 (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	5,123,510
2019-21	7 - 10 <sup>1</sup>	7,010,000	5,169,194 <sup>1</sup>
2021-23	9 - 13	7,500,000	N/A
Total		\$28,630,097	N/A

<sup>1</sup>The COVID-19 pandemic delayed the progress of releases 9 and 10 during the 2019-21 biennium, resulting in the releases being rescheduled for completion during the 2021-23 biennium. Of the \$7,010,000 appropriated for the project for the 2019-21 biennium, WSI anticipates spending \$5.2 million, based on actual expenditures through April 2021 and estimated expenditures for May and June 2021. The remaining appropriation authority from the WSI fund will be canceled at the end of the 2019-21 biennium, less \$51,001 of savings WSI anticipates using for the myWSI enhancement project.

Workforce Safety and Insurance anticipates additional funding of approximately \$13.8 million will be needed in the 2023-25 and 2025-27 bienniums to complete the project and meet the June 2026 projected completion date. Workforce Safety and Insurance estimates total expenditures for the project will be approximately \$34.7 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 <sup>1</sup>
2017-19	1 - 2	538,500	948,829 <sup>2</sup>
2019-21	3 - 4	850,000	901,001 <sup>3</sup>
2021-23	5 - 9	3,050,000	N/A
Total		\$4,438,500	N/A

<sup>1</sup>During 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.

<sup>2</sup>In 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.

<sup>3</sup>Of the \$850,000 appropriated for the project for the 2019-21 biennium, WSI anticipates spending \$901,001, including \$51,001 of savings from the claims and policy system project, based on actual expenditures through April 2021 and estimated expenditures for May and June 2021.

Workforce Safety and Insurance anticipates additional funding of approximately \$1.1 million will be needed to complete Release 9 and the entire project during the 2023-25 biennium. Workforce Safety and Insurance anticipates the project will be completed by the end of 2024 at a total cost of approximately \$6.4 million.

#### **Federal COVID-19 Funding - 2019-21 Biennium**

In House Bill No. 1395, the Legislative Assembly appropriated \$1,018,052 of federal coronavirus relief funds to WSI for the 2019-21 biennium for telework expenses and first responder workers compensation claims. The funding was transferred to the WSI fund.

#### **Related Legislation**

**House Bill No. 1051 - Attorney fees** - This bill allows certain employers to be eligible for reimbursement of attorney fees and other legal costs if the employer is found to be uninsured or noncompliant by the workers' compensation authorities of another state, as long as the employer's employees did not regularly work in the other state. The bill also provides WSI a continuing appropriation from the WSI fund for the payment of fees associated with credit and debit card payments made to WSI.

**House Bill No. 1084 - Recreational marijuana-related injuries** - This bill amends various sections in North Dakota Century Code Title 65 related to WSI, including an amendment to provide a compensable injury does not include injuries caused by the use of recreational marijuana and to establish a fee structure for providing paper and digital file copies.

**House Bill No. 1139 - Opioid and benzodiazepine therapies** - This bill provides limitations for the cost of certain opioid or benzodiazepine therapies received by injured workers that WSI may pay.