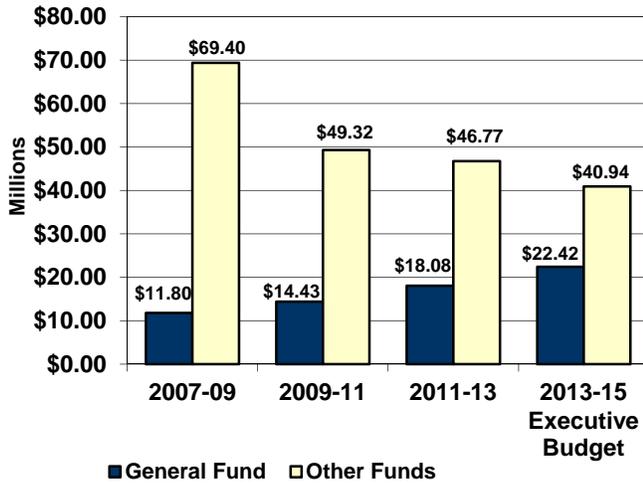


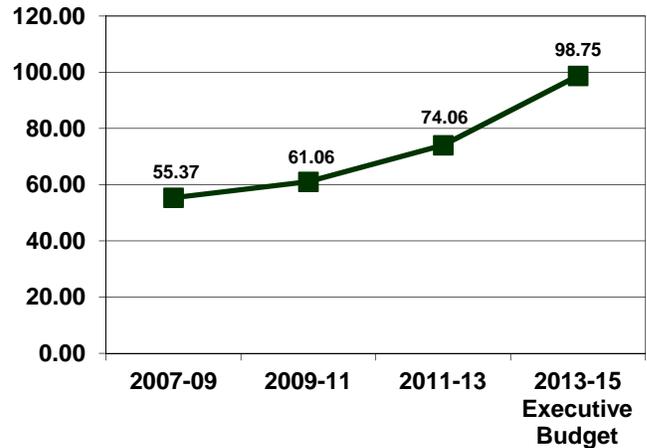
Department 405 - Industrial Commission
Senate Bill No. 2014

	FTE Positions	General Fund	Other Funds	Total
2013-15 Executive Budget	98.75	\$22,419,118	\$40,937,857	\$63,356,975
2011-13 Legislative Appropriations	74.06	18,075,613	46,766,756	64,842,369
Increase (Decrease)	23.69	\$4,343,505	(\$5,828,899)	(\$1,485,394)

Agency Funding



FTE Positions



Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2013-15 Executive Budget	\$20,858,318	\$1,560,800	\$22,419,118
2011-13 Legislative Appropriations	14,776,213	3,299,400	18,075,613
Increase (Decrease)	\$6,082,105	(\$1,738,600)	\$4,343,505

Executive Budget Highlights

	General Fund	Other Funds	Total
1. Provides one-time funding for potential litigation and other administrative proceedings relating to the regulation of hydraulic fracturing	\$1,000,000		\$1,000,000
2. Provides one-time funding for housing allowances for employees in oil-impacted areas	\$400,000		\$400,000
3. Provides additional funding for increased State Fleet Services rates	\$244,872		\$244,872
4. Decreases funding for bond payments to reflect bonds which have matured		(\$5,579,764)	(\$5,579,764)
5. Adds 2 FTE engineer technician positions for field inspections which were authorized by the Emergency Commission as contingent FTE positions for the 2011-13 biennium	\$390,820		\$390,820
6. Adds 4 FTE engineering technician positions, 1 FTE geology analyst position, and 1 FTE account budget specialist position to the Bismarck office	\$930,223		\$930,223
7. Adds 1 FTE geologist position to conduct preapplication waste disposal site reviews	\$215,251		\$215,251
8. Adds 3 FTE petroleum engineer field inspector positions, 3 FTE engineering technician field inspector positions, and 1 FTE engineering technician position for the core library	\$1,356,581		\$1,356,581
9. Adds 1 FTE petroleum engineer production supervisor position,	\$534,900		\$534,900

1 FTE engineering technician measurement analyst position, 1 FTE audit/legal administrative assistant position, and 1 FTE filing/reception administrative assistant			
10. Adds 3 contingent FTE engineering technician field inspector positions upon notification to the Office of Management and Budget (OMB) that the number of wells capable of production or injection exceed 15,000	\$586,230		\$586,230
11. Adds .69 FTE administrative position to a .31 FTE position currently authorized to create a full-time position for the Industrial Commission office		\$78,159	\$78,159
12. Removes 1 FTE position and funding provided for carbon dioxide storage administration for the 2011-13 biennium		(\$532,000)	(\$532,000)
13. Adds funding for leasing space for the new FTE positions	\$224,868		\$224,868
14. Adds one-time funding for studies on oil-bearing rocks (\$80,000) and temperature profiles (\$50,000)	\$130,000		\$130,000
15. Adds one-time funding for architectural services to develop a plan for expanding the core library	\$25,000		\$25,000
16. Provides funding for state employee salary increases of which \$704,031 relates to performance increases and \$89,785 is for market equity adjustments	\$730,311	\$63,505	\$793,816

Other Sections in Bill

Contingency funding - Department of Mineral Resources - Section 13 provides that \$430,518 included in the salaries and wages line item and \$155,712 in the operating line item in Section 1 of the bill may be used by the oil and gas division to hire three full-time equivalent positions upon certification to OMB that the total number of wells in the state capable of production or injection exceeds 15,000.

Transfer of funds in resources trust fund - Section 15 amends North Dakota Century Code Section 57-51.1-07 to provide for a transfer of one-half of 1 percent of the oil extraction tax deposited in the resources trust fund to the renewable energy development fund and one-half of 1 percent to the energy conservation fund.

Continuing Appropriations

Abandoned oil and gas reclamation fund - Section 38-08-04.5 - Abandoned oil and gas reclamation

Carbon dioxide storage facility administration fund - Section 38-22-05 - For defraying costs of processing applications for regulating carbon dioxide storage facilities

Carbon dioxide storage facility trust fund - Section 38-22-15 - For costs associated with long-term monitoring and management of a closed carbon dioxide storage facility

Cartographic products fund - Section 54-17.4-10 - Topographic map sales and purchases

Cash bond fund - Section 38-08-04.11 - For defraying costs incurred in plugging and reclamation of abandoned oil and gas wells and related activities

Fossil excavation and restoration fund - Section 54-17.4-09.1 - Excavation and restoration of fossils

Geological data preservation fund - Section 54-17.4-13 - Data preservation

Geophysical, geothermal, subsurface minerals, and coal exploration fund - Chapter 38-21 - Reclamation of orphaned facilities and exploration holes

Global positioning system community base station - Section 54-17.4-12 - For maintenance of base station

Lignite research fund - Section 57-61-01.5 - Research, development, and marketing for lignite industry

North Dakota Pipeline Authority administrative fund - Section 54-17.7-11 - For operations of the Pipeline Authority

Oil and gas research fund - Chapter 57-51.1 - Oil and gas research and education

Oil and gas reservoir data fund - Section 38-08-04.6 - Oil and gas reservoir data

Pipeline authority administration fund - Section 54-17.7-11 - For the operations of the Pipeline Authority and to make grants and loans

Renewable energy development fund - Section 54-63-04 - Renewable energy research, development, and education

Significant Audit Findings

The operational audit for the Industrial Commission conducted by the State Auditor's office during the 2011-12 interim identified a significant audit finding relating to noncompliance with state procurement and contracting guidelines.

Major Related Legislation

House Bill No. 1134 - Provides an exemption from the oil and gas gross production tax for natural gas to encourage use of gas that might otherwise be flared

Senate Bill No. 2029 - Increases the amount of oil and gas tax revenue distributed to the oil and gas research fund from \$4 million per biennium to \$10 million per biennium. The bill also provides legislative intent that up to \$5 million of the funds available in the oil and gas research fund be used by the Industrial Commission for opportunities related to value-added processing of oil and gas.