

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2175

2001 SENATE APPROPRIATIONS

SB 2175

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2175

Senate Appropriations Committee

Conference Committee

Hearing Date January 22, 2001

| Tape Number | Side A | Side B | Meter # |
|--|--------|--------|-------------|
| Tape #1 | x | | 50.6 - 54.8 |
| Tape #1 | | x | 0.0 - 4.8 |
| Committee Clerk Signature <i>[Signature]</i> | | | |

Minutes:

Senator Nething opened the hearing on SB2175.

Senator Gary Nelson, representing District #22, serving as Chair of the Appropriations Committee, testified in support of SB2175.

The only change proposed in this bill, is that each member of the legislative assembly of the state of ND is entitled to receive as compensation for services the sum of one hundred twenty-five (was \$111).

SB2176 changes are that the members of the council and the members of any committee of the council are entitled to be compensated for the time spent in attendance at sessions of the council and of its committees at the rate of \$100 per day (was \$75). He stands in support of both SB2175 and SB2176.

Senator Holmberg: Effective date: July 1, 2001?

Senator Gary Nelson: Yes.

Page 2

Senate Appropriations Committee

Bill/Resolution Number SB2175

Hearing Date January 22, 2001

Senator Andrist: Why change?

Senator Nething: The Legislative Compensation Commission Report distributed earlier in the session has history detail.

Senator Gary Nelson: Cost of living index plays a role here. Had the same methodology been used for the legislative assembly as used for the state employees 3%/2% it would have been higher.

Joe Morrissette, Legislative Council analyst: provided neutral testimony (a copy of which is attached). Charles Axtman, Chair of the Legislative Compensation Commission was unable to attend today's hearing due to previous commitments.

Senator Nething: The appendix you provided, right, last column --interim daily compensation, if comparable raise to state employees would be \$108? \$125 if used same as state employees would be \$156 closer to \$157?

Joe Morrissette: Correct.

Senator Nething: Monthly no change? Still behind inflation; behind state employees

Joe Morrissette: No change.

No additional testimony on SB2175; hearing closed by Senator Nething.

Page 3
Senate Appropriations Committee
Bill/Resolution Number SB2175
Hearing Date January 22, 2001

February 15, 2001 Full Committee (Tape 1, Side A, Meter No. Second of four bill actions from 0.0 -54.1)

Senator Nething reopened the hearing on SB2175.

Senator Nething, Chair of the Legislative Subcommittee, presented amendments (10104.0101); and explained the proposed changes.

Senator Schobinger moved adoption of the amendments; Senator Lindors seconded; one opposed (who did not wish to be recorded).

Further discussion.

Senator Solberg moved DO PASS AS AMENDED; seconded by Senator Holmberg. Roll Call

Votes: 13 yes; 1 no; 0 absent.

Senator Nething will take the floor assignment.

FISCAL NOTE

Requested by Legislative Council

2/20/2001

Bill/Resolution No.:

Amendment to: SB 2175

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

| | 1999-2001 Biennium | | 2001-2003 Biennium | | 2003-2005 Biennium | |
|-----------------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|
| | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
| Revenues | | | | | | |
| Expenditures | \$239,867 | | \$265,852 | | \$250,344 | |
| Appropriations | | | | | \$250,344 | |

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

| 1999-2001 Biennium | | | 2001-2003 Biennium | | | 2003-2005 Biennium | | |
|--------------------|--------|------------------|--------------------|--------|------------------|--------------------|--------|------------------|
| Counties | Cities | School Districts | Counties | Cities | School Districts | Counties | Cities | School Districts |
| | | | | | | | | |

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

The engrossed bill increases legislators' compensation by \$14 per calendar day, from \$111 to \$125 per day during legislative sessions, effective January 1, 2001.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

The amounts shown reflect the funding necessary to provide this increase for 147 legislators for the regular session during the 1999-2001 biennium, for the redistricting, organizational, and regular session during the 2001-03 biennium, and for the organizational and regular session during the 2003-05 biennium.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Although it is difficult to anticipate the length of the 2001 legislative session and its total costs, it appears that the appropriation available for the 1999-2001 biennium will be adequate to provide for the increase provided for in this bill relating to the 57th Legislative Assembly.

No amounts are shown for the 2001-03 biennium because the \$265,852 is included in the executive budget.

| | | | |
|----------------------|--------------|-----------------------|---------------------|
| Name: | Jlm W. Smith | Agency: | Legislative Council |
| Phone Number: | 328-2916 | Date Prepared: | 02/20/2001 |

FISCAL NOTE
 Requested by Legislative Council
 01/03/2001

Bill/Resolution No.: SB 2175

Amendment to:

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

| | 1999-2001 Biennium | | 2001-2003 Biennium | | 2003-2005 Biennium | |
|-----------------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|
| | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
| Revenues | | | | | | |
| Expenditures | | | \$265,852 | | \$250,344 | |
| Appropriations | | | | | \$250,344 | |

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

| 1999-2001 Biennium | | | 2001-2003 Biennium | | | 2003-2005 Biennium | | |
|--------------------|--------|------------------|--------------------|--------|------------------|--------------------|--------|------------------|
| Counties | Cities | School Districts | Counties | Cities | School Districts | Counties | Cities | School Districts |
| | | | | | | | | |

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

This bill increases legislators' compensation by \$14 per calendar day, from \$111 to \$125 per day during legislative sessions.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

The amounts shown reflect the funding necessary to provide this increase for 147 legislators for the organizational session and regular session during the 2001-03 and 2003-05 bienniums. In addition, the 2001-03 biennium amount includes the funding necessary to provide this increase for the special redistricting session.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

No amounts are shown for the 2001-03 biennium because the \$265,852 is included in the executive budget.

| | | | |
|----------------------|--------------|-----------------------|---------------------|
| Name: | Jim W. Smith | Agency: | Legislative Council |
| Phone Number: | 328-2916 | Date Prepared: | 01/08/2001 |

10104.0101
Title. . . 200

Prepared by the Legislative Council staff for
Senator Nething
February 8, 2001

PROPOSED AMENDMENTS TO SENATE BILL NO. 2175

Page 1, line 3, after "session" insert "; to provide for retroactive application; and to declare an emergency"

Page 2, after line 24, insert:

"SECTION 2. RETROACTIVE APPLICATION. This Act is retroactive in application to January 1, 2001.

SECTION 3. EMERGENCY. This Act is declared to be an emergency measure."

Renumber accordingly

Date: 2-15-01

Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2175

Senate Appropriations Committee

Subcommittee on _____

or

Conference Committee

Legislative Council Amendment Number 10104-0101

Action Taken As per amendment

Motion Made By Sen Solberg Seconded By Sen Holmberg

| Senators | Yes | No | Senators | Yes | No |
|----------------------------|-----|----|----------|-----|----|
| Dave Nething, Chairman | ✓ | | | | |
| Ken Solberg, Vice-Chairman | ✓ | | | | |
| Randy A. Schobinger | ✓ | | | | |
| Elroy N. Lindaas | ✓ | | | | |
| Harvey Tallackson | ✓ | | | | |
| Larry J. Robinson | ✓ | | | | |
| Steven W. Tomac | ✓ | | | | |
| Joel C. Heitkamp | | ✓ | | | |
| Tony Grindberg | ✓ | | | | |
| Russell T. Thane | ✓ | | | | |
| Ed Kringstad | ✓ | | | | |
| Ray Holmberg | ✓ | | | | |
| Bill Bownan | ✓ | | | | |
| John M. Andrist | ✓ | | | | |

Total Yes 13 No 1

Absent 0

Floor Assignment Senator Nething

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2175: Appropriations Committee (Sen. Nething, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). SB 2175 was placed on the Sixth order on the calendar.

Page 1, line 3, after "session" insert "; to provide for retroactive application; and to declare an emergency"

Page 2, after line 24, insert:

"SECTION 2. RETROACTIVE APPLICATION. This Act is retroactive in application to January 1, 2001.

SECTION 3. EMERGENCY. This Act is declared to be an emergency measure."

Renumber accordingly

2001 HOUSE APPROPRIATIONS

SB 2175

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2175

House Appropriations Committee

Conference Committee

Hearing Date **March 13, 2001**

| Tape Number | Side A | Side B | Meter # |
|--|--------|--------|---------|
| 1 | x | | 0 - 783 |
| | | | |
| | | | |
| Committee Clerk Signature <i>L I Joubert</i> | | | |

Minutes:

HOUSE APPROPRIATIONS COMMITTEE HEARING ON SB2175.

Rep. Timm: Meeting was called to order and attendance roll call was taken. Hearing on SB2175 was opened.

Rep. Belter: I will address both bills SB2175 and SB2176. As state legislators I believe that it is imperative that in order to maintain a strong legislative branch of government that we compensate our legislators in a fair and equitable manner and therefore I ask you to support the proposed salary increases both for the session as well as the interim. In serving as a legislator it is very demanding and it takes a lot of time and I think if we want to maintain the quality of our legislative branch that we do need to compensate our people so that they can afford to serve the people of North Dakota and so I would certainly hope that you would give favorable recommendation to these increases and if there is any questions I certainly would be happy to respond.

Page 2
House Appropriations Committee
Bill/Resolution Number SB2175
Hearing Date March 13, 2001

Rep. Timm: Are there any questions for Rep. Belter?

Joe Morrissette, Legislative Council: (Presented handout to the committee) I served as the legislative staff person for the legislative compensation commission during the past interim so in that capacity I will explain the bill and give you some background that the legislative compensation commission considered in recommending them and try to answer any questions that you might have. SB2175 increases the compensation for each calendar day during legislative session from \$111 to \$125 and the bill as it was recommended by the compensation commission did not have a special clause providing for a retro active application as you see in the engrossed bill, that was added by the senate, and what the bill does now is it would make that pay increase retroactive to January 1 and also has an emergency clause that would make it effective as soon as it passes, so it would effect the compensation both during this session and subsequent special sessions this next interim and the future. The fiscal note indicates that the cost of that retroactive part of the application would be \$239, 867 which would be paid from the legislative assemblies appropriation authority for this biennium, the cost for next biennium is \$265, 852 and that amount is included in the executive budget recommendation. And the cost for the subsequent biennium 2003-2005 would be approximately \$250 thousand, the reason its slightly higher for the 2001 03 biennium is to provide for a special session for redistricting. I would refer you to the memorandum that I passed out, I apologize now for not having it 3 hole punched, I realized that when I saw someone grab the 3 hole punch. This is something the compensation commission considered when they made this recommendation, its a memorandum which they have examined during previous interim's in looking at the current rates of legislative compensation and what would those rates be had they been adjusted for inflation or for percentage pay raises provided to state employees. The first set of three column's with the

dollar signs is the current rates and the history of legislative compensation rates going back to 1981. The first column is the interim compensation rate, the next column is the daily rate during session, and the next column is the monthly compensation that is paid during the term of office. The next set of column's is what those compensation rates would be had they been adjusted each year for inflation going back to 1981, you can see by looking at the first set of column's that those rates for the interim, the session and monthly rates are \$75.00, \$111.00 and \$250.00 had they been adjusted for inflation they would be increased to \$117.47, \$169.16 and \$338.36 during the term of office, but the last set of column's index's those amounts going back to 1981 based on the percentages of pay raises provided to state employees and as you can see those rates would be \$108 for the interim, \$156 for the session and \$313 for each month during the term in office had they been adjusted by those factors. That concludes my comments on SB2175 unless there are any questions from the committee.

Rep. Guleson: When you look at the rates that legislators are compensated for there expenses, its tied to the same rates that our state employees receive. Has the compensation committee thought about tying language and submitting language that would tie our salary increases to the public employees so that a 3 and a 2 or whatever we passed out for the public employees would be how our adjustment would be made and the other part of that is. can we do that, can we place language in the code that in effect when change public employees salary's were also effecting our salaries as well.

Joe Morrissette: The commission has discussed those issues during the last couple of interim's and they have looked at some other states that have similar provisions where the rates are adjusted by a factor based on inflation or based on state employee's salary increases which are probably fairly consistent now. They have not requested a bill draft to do that, it has been part of

the committee discussion but they have not made that one of their recommendations in the past.

I'm not aware of anything that would prohibit such a law from being enacted.

Rep. Timm: Any other questions?

Rep. Delzer: If this happens to pass with the retroactive part is there carry over money enough in the council budget to handle it?

Joe Morrissette: I believe there is, I believe that the number of days that are budgeted for will cover the amount for this biennium.

Rep. Byerly: Did the interim compensation committee ever discuss coming to this session on making this retroactive, or was this something that the senate did effectively on its own?

Joe Morrissette: It was discussed by the commission, but the commission felt that it should be an issue that the legislative assembly should address if they wanted to make it retroactive. They chose to introduce the bill without a special enacting clause.

Rep. Timm: Any other questions? Anybody else that wants to testify in support of SB2175?

Any opposition to SB2175? If not we will close the hearing on SB2175.

House Appropriations Committee closed the hearing on SB2175.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2175A

House Appropriations Committee

Conference Committee

Hearing Date **March 16, 2001**

| Tape Number | Side A | Side B | Meter # |
|--|--------|--------|-------------|
| 1 | x | | 2014 - 2230 |
| | | | |
| | | | |
| Committee Clerk Signature <i>L. F. Janke</i> | | | |

Minutes:

HOUSE APPROPRIATIONS COMMITTEE ACTION ON SB2175A.

Rep. Timm: SB2175 is the pay increase for the legislators which is from \$111.00 to \$125.00 a day.

Rep. Wald: I move a DO PASS, Seconded by Rep. Kempenich.

Rep. Timm: Any discussion? Roll will be called for a DO PASS (13) YES (8) NO. Motion passes. Rep. Timm will carry the bill to the floor.

Rep. Glassheim: If the emergency clause doesn't carry on the floor does that destroy the retroactivity or do you get the retroactivity in August? Answer was YES.

End of House Appropriations Committee action on SB2175A.

Date: 3/16/01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2175

House APPROPRIATIONS Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken DO PASS

Motion Made By WALD Seconded By KEMPENICH

| Representatives | Yes | No | Representatives | Yes | No |
|----------------------|-----|----|-----------------|-----|----|
| Timm - Chairman | ✓ | | | | |
| Wald - Vice Chairman | ✓ | | | | |
| Rep - Aarsvold | | ✓ | Rep - Koppelman | | ✓ |
| Rep - Boehm | ✓ | | Rep - Martinson | ✓ | |
| Rep - Byerly | | ✓ | Rep - Monson | ✓ | |
| Rep - Carlisle | | ✓ | Rep - Skarphol | ✓ | |
| Rep - Delzer | | ✓ | Rep - Svedjan | ✓ | |
| Rep - Glassheim | | ✓ | Rep - Thoreson | ✓ | |
| Rep - Gulleason | ✓ | | Rep - Warner | | ✓ |
| Rep - Huether | ✓ | | Rep - Wentz | ✓ | |
| Rep - Kempenich | ✓ | | | | |
| Rep - Kerzman | | ✓ | | | |
| Rep - Kliniske | ✓ | | | | |

Total (Yes) 13 No 8

Absent _____

Floor Assignment TIMM

If the vote is on an amendment, briefly indicate intent:

2001 TESTIMONY

SB 2175

May 2000

LEGISLATIVE COMPENSATION INCREASES COMPARED TO INFLATION AND STATE EMPLOYEE SALARY INCREASES - 1981 THROUGH 2000

This memorandum compares actual legislative compensation rates and legislative compensation rates adjusted for inflation and state employee salary increases for the period 1981 through 2000.

LEGISLATIVE COMPENSATION RATES

North Dakota Century Code (NDCC) Section 54-03-20 provides that each member of the Legislative Assembly is entitled to receive compensation of \$111 per calendar day during each regular, special, or organizational session. In addition, each legislator is entitled to receive monthly compensation of \$250 during each legislator's term of office. Section 54-35-10 provides that legislators are also entitled to receive compensation of \$75 per day for attending Interim meetings of the Legislative Council and its committees.

CHANGES IN LEGISLATIVE COMPENSATION SINCE 1981

In 1981 the amount legislators were paid as monthly compensation was increased from \$150 to \$180. Also in 1981 the amount legislators were paid for attending meetings of the Legislative Council and its committees was increased from \$52 per day to \$62.50 per day. Legislative session compensation was constitutionally limited to \$5 per calendar day, and the level of expense reimbursement during legislative sessions was set by statute at \$85 per calendar day for a total of \$90 per day.

The constitutional provision limiting legislative compensation was repealed on June 8, 1982, by voter approval of measure No. 4, which created Section 26 of Article XI of the Constitution of North Dakota, and provides that:

The legislative, executive, and judicial branches are coequal branches of government. Elected members and officials of each branch shall receive as compensation for their services only such amounts as may be specifically set by law. Payment for necessary expenses shall not exceed those allowed for other state employees.

After the adoption of the 1982 constitutional amendment, the subsequent Legislative Assembly

(1983) amended NDCC Section 54-03-20 to set the levels of legislative session compensation and expense reimbursement at \$40 per day and \$50 per day, respectively. As an exception to the compensation and expense reimbursement rates provided to other legislators, legislators from Bismarck received \$90 per day as compensation and no expense reimbursement. Consequently, the total of legislative session expense reimbursement and compensation for all legislators remained unchanged at \$90 per day.

The 1985 Legislative Assembly amended NDCC Section 54-03-20 to provide that legislators receive compensation of \$90 per calendar day during the legislative session plus reimbursement for lodging up to \$600 per month. Section 54-03-20 was also amended to provide that the \$180 per month payment to legislators during their terms of office was compensation rather than reimbursement for expenses.

North Dakota Century Code Section 54-03-20 was not substantively changed again until 1997. The changes made by the 1997 Legislative Assembly include:

- Increased daily compensation during legislative sessions from \$90 to \$111.
- Increased monthly compensation during each legislator's term of office from \$180 to \$250.
- Provided that compensation may be paid monthly, rather than every six months, at the option of each legislator.
- Increased the maximum reimbursement for lodging during legislative sessions from \$600 to \$650 per month.

The 1999 Legislative Assembly increased the level of compensation for attending Interim Legislative Council committee meetings from \$62.50 to \$75 per day.

The schedule attached as an appendix provides a comparison of actual legislative compensation rates and legislative compensation rates adjusted for inflation and state employee salary increases for the period 1981 through 2000.

ATTACH:1

ACTUAL LEGISLATIVE COMPENSATION RATES AND LEGISLATIVE COMPENSATION RATES ADJUSTED FOR INFLATION AND STATE EMPLOYEE SALARY INCREASES - 1981 THROUGH 2000

| Year | ACTUAL COMPENSATION RATES | | | COMPENSATION RATES ADJUSTED FOR INFLATION | | | COMPENSATION RATES ADJUSTED FOR INFLATION | | | SALARY INCREASES PROVIDED TO STATE EMPLOYEES | | |
|------|----------------------------|---|--|---|----------------------------|----------------------------|--|--|----------------------------|--|--|---------------------|
| | Interim Daily Compensation | Session Daily Compensation and Expense Reimbursement ¹ | Monthly Compensation During Term of Office | Inflation ² | Interim Daily Compensation | Session Daily Compensation | Monthly Compensation During Term of Office | Salary Increases Provided to State Employees | Interim Daily Compensation | Session Daily Compensation | Monthly Compensation During Term of Office | Percentage Increase |
| 1981 | \$62.50 | \$90.00 | \$180.00 | | \$62.50 | \$90.00 | \$180.00 | | \$62.50 | \$90.00 | \$180.00 | |
| 1982 | \$62.50 | \$90.00 | \$180.00 | 6.2% | \$66.38 | \$95.58 | \$191.16 | 8.0% ³ | \$67.50 | \$97.20 | \$194.40 | 2.0% |
| 1983 | \$62.50 | \$90.00 | \$180.00 | 3.2% | \$68.50 | \$98.64 | \$197.28 | 2.0% ⁴ | \$68.85 | \$99.14 | \$198.29 | 2.0% |
| 1984 | \$62.50 | \$90.00 | \$180.00 | 4.3% | \$71.45 | \$102.88 | \$205.76 | 2.0% ⁴ | \$70.23 | \$101.12 | \$202.26 | 2.0% |
| 1985 | \$62.50 | \$90.00 | \$180.00 | 3.5% | \$73.95 | \$106.48 | \$212.96 | 5.5% ⁵ | \$74.09 | \$106.68 | \$213.38 | 5.5% |
| 1986 | \$62.50 | \$90.00 | \$180.00 | 1.9% | \$75.36 | \$108.50 | \$217.01 | 4.0% ⁶ | \$77.05 | \$110.95 | \$221.92 | 4.0% |
| 1987 | \$62.50 | \$90.00 | \$180.00 | 3.7% | \$78.15 | \$112.51 | \$225.04 | 0.0% | \$77.05 | \$110.95 | \$221.92 | 0.0% |
| 1988 | \$62.50 | \$90.00 | \$180.00 | 4.1% | \$81.35 | \$117.12 | \$234.27 | 0.0% | \$77.05 | \$110.95 | \$221.92 | 0.0% |
| 1989 | \$62.50 | \$90.00 | \$180.00 | 4.8% | \$85.25 | \$122.74 | \$245.51 | 7.1% ⁷ | \$82.52 | \$118.83 | \$237.68 | 7.1% |
| 1990 | \$62.50 | \$90.00 | \$180.00 | 5.4% | \$89.85 | \$129.37 | \$258.77 | 0.0% ⁸ | \$82.52 | \$118.83 | \$237.68 | 0.0% |
| 1991 | \$62.50 | \$90.00 | \$180.00 | 4.2% | \$93.62 | \$134.80 | \$269.64 | 4.0% ⁹ | \$85.82 | \$123.38 | \$247.19 | 4.0% |
| 1992 | \$62.50 | \$90.00 | \$180.00 | 3.0% | \$96.43 | \$138.84 | \$277.73 | \$40 per month ¹⁰ | \$87.54 | \$126.05 | \$252.13 | \$40 per month |
| 1993 | \$62.50 | \$90.00 | \$180.00 | 3.0% | \$99.32 | \$143.01 | \$286.06 | \$60 per month ¹¹ | \$90.17 | \$129.83 | \$259.69 | \$60 per month |
| 1994 | \$62.50 | \$90.00 | \$180.00 | 2.6% | \$101.90 | \$145.73 | \$293.50 | 3.0% | \$92.88 | \$133.72 | \$267.48 | 3.0% |
| 1995 | \$62.50 | \$90.00 | \$180.00 | 2.8% | \$104.75 | \$150.64 | \$301.72 | 2.0% ¹² | \$94.74 | \$136.39 | \$272.83 | 2.0% |
| 1996 | \$62.50 | \$90.00 | \$180.00 | 2.9% | \$107.79 | \$155.21 | \$310.47 | 3.0% | \$97.58 | \$140.48 | \$281.01 | 3.0% |
| 1997 | \$62.50 | \$90.00 | \$180.00 | 2.3% | \$110.27 | \$158.78 | \$317.61 | 3.0% | \$100.51 | \$144.69 | \$289.44 | 3.0% |
| 1998 | \$62.50 | \$111.00 | \$250.00 | 1.6% | \$112.03 | \$161.32 | \$322.69 | 3.0% | \$103.53 | \$149.03 | \$298.12 | 3.0% |
| 1999 | \$75.00 | \$111.00 | \$250.00 | 2.2% ¹⁴ | \$114.49 | \$164.87 | \$329.79 | 2.0% ¹⁴ | \$105.60 | \$152.01 | \$304.08 | 2.0% |
| 2000 | \$75.00 | \$111.00 | \$250.00 | 2.6% ¹⁴ | \$117.47 | \$169.16 | \$338.36 | 3.0% ¹⁶ | \$108.77 | \$156.57 | \$313.20 | 3.0% |

¹ Until 1985 the \$90 per calendar day amount included compensation and expense reimbursement. Beginning in 1985 the \$90 per day amount includes only compensation.

² The inflation rate is the annual percentage change in the consumer price index.

³ The actual salary increase was reduced by a budget allotment directed by the Governor.

⁴ The percentage shown is a two percent additional state paid contribution to retirement in lieu of a salary increase.

⁵ Salary increases of 9.5 percent were provided to higher education faculty and senior administrative staff, 5.5 percent for all other state employees.

⁶ The Governor deferred this salary increase for executive branch agencies until January 1, 1987, with a minimum of \$50 per month. For the purposes of this analysis, a four percent increase was applied to legislative compensation.

⁷ Salary increases of 11.4 percent were provided for higher education faculty at the University of North Dakota and North Dakota State University, 9.5 percent for higher education faculty at other four-year universities; 7.3 percent for higher education faculty at two-year colleges; 9.1 percent for faculty at the UND Medical School; 8.7 to 9.7 percent for administrative, professional, and classified employees at the institutions of higher education; and 7.1 percent for all other state employees.

⁸ Salary increases of seven percent were provided for higher education faculty at four-year universities; five percent for higher education faculty at two-year colleges; and zero percent for all other state employees.

⁹ A salary increase of four percent, with a minimum of \$50 per month, was provided for state employees. For the purposes of this analysis, only the four percent increase was applied to legislative compensation.

¹⁰ The \$40 per month increase averaged approximately two percent for classified state employees. For the purposes of this analysis, a two percent increase was applied to legislative compensation.

¹¹ The \$60 per month increase averaged approximately three percent for classified state employees. For the purposes of this analysis, a three percent increase was applied to legislative compensation.

¹² A salary increase of up to three percent was provided to the extent available from agency savings.

¹³ The salary increase of three percent includes one percent provided for salary equity adjustments and merit increases.

¹⁴ Projected annual percentage increase in the consumer price index, as projected by Regional Financial Associates (RFA).

¹⁵ Salary increases were a minimum of \$30 per month, with any additional increases, up to an average of three percent, distributed on the basis of merit and equity. For the purposes of this analysis, only the three percent increase was applied to legislative compensation.

¹⁶ Salary increases were a minimum of \$35 per month, with any additional increases up to two percent the first year and three percent the second year distributed on the basis of merit and equity. For the purposes of this analysis, the percentage increases were applied to legislative compensation.

GENERAL FUND REVENUE REVISIONS - MARCH 2001 FORECAST

GENERAL FUND REVENUE CHANGES - SUMMARY

| | Hoeven Changes to Schafer December 2000 Forecast | March 2001 Changes to Hoeven Forecast | March 2001 Adjustments to Budget Status |
|---|--|--|---|
| 1999-2001 biennium changes | (\$13,230,000) | \$12,495,848 | (\$734,152) |
| End of biennium turnback | 500,000 | 814,250 | 1,314,250 |
| Total beginning balance changes | (\$12,730,000) | \$13,310,098 | \$580,098 |
| 2001-03 biennium changes excluding recommendations requiring statutory changes | 7,703,258 | (4,268,084) | 3,435,174 |
| Total adjustments to 2001-03 biennium revenues | (\$5,026,742) | \$9,042,014 | \$4,015,272 |

GENERAL FUND REVENUE REVISIONS - CURRENT LAW

The following is a summary of revised general fund revenue estimates for the 1999-2001 and 2001-03 bienniums as contained in the March 2001 revenue forecast that are a reforecast of amounts anticipated to be available under current law:

| 1999-2001 BIENNIUM REVENUE FORECAST | | | |
|---|--|-----------------------------------|--------------------------------|
| General Fund Revenue Source | Governor Schafer Forecast December 2000 | Revised Forecast March 2001 | Adjustment to Budget Status |
| Sales and use tax | \$630,431,047 | \$616,840,047 | (\$13,591,000) |
| Motor vehicle excise tax | 105,524,958 | 109,998,958 | 4,474,000 |
| Individual income tax | 399,210,324 | 402,767,325 | 3,557,001 |
| Insurance premium tax | 38,894,000 | 39,260,916 | 366,916 |
| Cigarette and tobacco tax | 41,898,734 | 41,692,734 | (206,000) |
| Oil and gas production tax | 38,214,430 | 38,433,430 | 219,000 |
| Oil extraction tax | 23,785,570 | 23,566,570 | (219,000) |
| Coal severance tax | 22,634,459 | 22,437,459 | (197,000) |
| Coal conversion tax | 25,005,737 | 25,518,737 | 513,000 |
| Gaming tax | 26,720,000 | 27,046,000 | 326,000 |
| Wholesale liquor tax | 10,682,013 | 10,857,646 | 175,633 |
| Mineral leasing fees | 7,631,523 | 7,896,523 | 265,000 |
| Interest income | 19,389,000 | 20,382,000 | 993,000 |
| Departmental collections | 40,041,394 | 42,544,198 | 2,502,804 |
| Transfers - Other | 356,365 | 442,859 | 86,494 |
| Anticipated increase in end of biennium general fund turnback | 9,662,410 | 10,976,660 | 1,314,250 |
| Total budget status adjustments to July 1, 2001, beginning of biennium balance | | | \$580,098 |

| 2001-03 BIENNIUM REVENUE FORECAST | | | |
|---|---|-----------------------------|-----------------------------|
| General Fund Revenue Source | Governor Schafer Forecast December 2000 | Revised Forecast March 2001 | Adjustment to Budget Status |
| Sales and use tax | \$665,448,000 | \$648,322,000 | (\$17,126,000) |
| Motor vehicle excise tax | 105,124,000 | 113,633,000 | 8,509,000 |
| Individual income tax | 447,054,000 | 452,947,000 | 5,893,000 |
| Corporate income tax | 102,835,000 | 104,439,000 | 1,604,000 |
| Cigarette and tobacco tax | 39,178,000 | 38,786,000 | (392,000) |
| Oil and gas production tax | 38,289,000 | 38,431,000 | 142,000 |
| Oil extraction tax | 23,711,000 | 23,569,000 | (142,000) |
| Coal conversion tax | 25,249,000 | 25,912,000 | 663,000 |
| Wholesale liquor tax | 10,286,169 | 10,540,543 | 254,374 |
| Mineral leasing fees | 6,525,000 | 6,757,500 | 232,500 |
| Interest income | 20,436,000 | 21,011,000 | 575,000 |
| Departmental collections | 33,917,000 | 37,139,300 | 3,222,300 |
| Total budget status adjustments to 2001-03 biennium revenues relating to forecast revisions | | | \$3,435,174 |

OTHER GENERAL FUND REVENUE ADJUSTMENTS - 2001-03 BIENNIUM

The March 2001 revenue forecast also includes general fund revenue adjustments that, in order to be adopted, require amendment of bills under consideration by the 57th Legislative Assembly, summarized as follows:

| General Fund Revenue Source | Adjustment to Schafer Forecast | Included in Current Budget Status | Adjustment to Budget Status to Reflect Hoeven Revenues | Description/Action |
|---|--------------------------------|-----------------------------------|--|--|
| Sales and use tax | (\$5,500,000) | (\$6,710,000) | \$1,210,000 | Phase out of sales tax - Used farm machinery - Amend House Bill No. 1052 ¹ |
| Individual income tax | (2,500,000) | | (2,500,000) | Investment tax credit - Expanded primary sector businesses - House Bill No. 1413 ² |
| Bank of North Dakota profits - Transfer | 10,000,000 | | 10,000,000 | Amend House Bill No. 1015 |
| Interest from student loan trust fund | 9,000,000 | | 9,000,000 | Amend House Bill No. 1015 |
| Sale of DD loans | (700,000) | | (700,000) | Amend House Bill No. 1015, reduce proceeds from sale of DD loans from \$2.7 million to \$2 million |
| Total general fund revenue adjustments relating to proposed changes to current law or to bills included in the Schafer executive budget | \$10,300,000 | (\$6,710,000) | \$17,010,000 | |

¹ The bill, as passed by the House and reflected in the current legislative budget status, reduces general fund revenues by \$6.7 million by implementing the proposed sales and use tax exemption six months earlier than under the Hoeven proposal.

² The bill, as passed by the House, allows the seed capital investment tax credit to be claimed on the state short-form income tax return and increases from \$250,000 to \$2,500,000 the aggregate amount of annual tax credits. The Tax Department has indicated that the fiscal impact is indeterminable; consequently, no fiscal impact is reflected in the current legislative budget status relating to House Bill No. 1413.

The following is a motion for consideration by the Appropriations Committees affecting projected general fund revenues, that includes adjustments resulting from the March 2001 revenue forecast:

It was moved by DELBER and seconded by MANSON that the House (Senate) Appropriations Committee of the 57th Legislative Assembly adopt, for Legislative Council budget status reporting purposes, the following adjustments, that include the Office of Management and Budget revised general fund revenue estimates reflected in the March 2001 revenue forecast for the 1999-2001 and 2001-03 bienniums:

Revisions related to current law:

| | |
|---|----------------------|
| Adjustment to July 1, 2001, beginning balance | \$580,098 |
| Adjustment to 2001-03 biennium general fund revenues | 3,435,174 |
| Subtotal adjustments related to current law | \$4,015,272 |
| Other adjustments | |
| Reduce proceeds from sale of DD loans (House Bill No. 1015) | (700,000)* |
| Investment tax credit (House Bill No. 1413) | (2,500,000) |
| Income tax credit - Renaissance zone (House Bill No. 1460) | (2,500,000) |
| Subtotal other adjustments | (\$5,700,000) |
| Total adjustments to budget status | (\$1,684,728) |
| *Will also require an amendment to House Bill No. 1015 | |

NOTE: These amounts will be reflected in budget status when adopted by both Appropriations Committees.