

2013 HOUSE APPROPRIATIONS

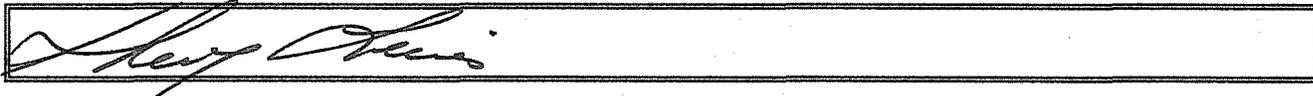
HB 1001

2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Government Operations Division
Medora Room, State Capitol

HB1001
January 17, 2013
Recording Job# 17361

Conference Committee



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the office of the governor; and to amend and reenact sections 54-07-04 and 54-08-03 of the North Dakota Century Code, relating the salaries of the governor and lieutenant governor.

Minutes:

Chairman Thoreson: Opened the hearing on HB1001.

Ron Rauschenberger, Chief of State, ND Office of the Governor: See testimony attachment 1. Audio trouble starting at 46 sec. to 2:24 on recording.

Representative Kempenich: Your whole office is unclassified?

Ron Rauschenberger: Yes.

Chairman Thoreson: Mr. Rauschenberger has summarized testimony up to salary and wages item and he will continue with his testimony.

Representative Glassheim: In operating, do you still have a lobbyist in the Governor's budget?

Ron Rauschenberger: We have a contract with a government's operations person in DC to track all of our legislation, yes.

Representative Glassheim: What is the amount of that?

Ron Rauschenberger: The amount appropriated for that is just above \$60,000 a year on a contract basis.

Chairman Thoreson: Some states have a full operation with a government building for state governments in DC.

Ron Rauschenberger: You're correct many states have 6 to 8 FTEs on staff.

Chairman Thoreson Closed the hearing on HB1001.

2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Government Operations Division
Medora Room, State Capitol

HB1001
January 29, 2013
Recording Job# 17876

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the office of the governor; and to amend and reenact sections 54-07-04 and 54-08-03 of the North Dakota Century Code, relating the salaries of the governor and lieutenant governor.

Minutes:

Chairman Thoreson: Opened the hearing on HB1001.

Ron Rauschenberger, Chief of State, ND Office of the Governor: Explained that he was here to answer any questions concerning the governor's budget.

1:08

Chairman Thoreson: What happened with those contingency dollars from the last time?

Ron Rauschenberger: Those are just turned back.

Representative Kempenich: Do you have any classified employees in that office?

Ron Rauschenberger: No we do not. If there is any compression dollars, we are not considered for that.

Chairman Thoreson: The question I have doesn't deal directly with HB1001 but it does deal with your office. We've also been hearing HB1015 and the membership dues for the various organizations are in that bill. The National Governor's Association is \$81,000.00 for the biennium; but the National Lieutenant Governor's Association is \$1,200.00. I'm just interested in why the big disparity.

Ron Rauschenberger: I didn't realize that the Lt Governor's Association was that low. They do have less frequent meetings and also probably not as big a staff and organization. We did drop the Midwest Governor's Association membership.

Chairman Thoreson: How far east does Western Governor's Association go?

Ron Rauschenberger: I think we're on the far eastern edge of that and then it's everything west for the Western Governor's Association.

Chairman Thoreson: Midwest still exists though?

Ron Rauschenberger: It still exists; but, we do not belong.

Chairman Thoreson: Because of some of their policy decisions?

Ron Rauschenberger: Policy decisions and also time on our part; these organizations take a tremendous amount of time. We felt Western Governor's covered what Midwestern Governor's did also; and we were a little more in line with them.

Representative Kempenich: That stretched quite a ways east; that Midwestern Governor's.

Ron Rauschenberger: That did. They took a little more of the east end.

Vice Chairman Brandenburg: In the Midwest Governor's they weren't really giving us any benefit with the energy policies.

Ron Rauschenberger: Their philosophies were not in tune with us. We were trying to promote all energies; they seemed to be focusing just on one area. It was all strict renewables to an extreme and we just felt that wasn't what we wanted.

Vice Chairman Brandenburg: For every one of us there are 20 of them at the meeting.

Chairman Thoreson: Are there any states that are not a member of National Governor's Association?

Ron Rauschenberger: Yes, Texas has chosen not to belong to any. Other than that, I am not aware of any others.

Representative Hawken: Wouldn't you say that being at the table is helpful?

Ron Rauschenberger: Yes. It's definitely helpful and with NGA we have a good voice.

Chairman Thoreson: Do you know if there are states that aren't current with their dues to those organizations?

Ron Rauschenberger: To my knowledge, I don't know that; that hasn't been provided. I can ask or try to find out.

Chairman Thoreson: Just to note for the record, Representatives Glassheim and Guggisberg were notified; they were not in the room at this time. If they have any follow up questions, the minutes of this meeting are available for them and certainly can get back with you for any follow up questions.

Chairman Thoreson: Closed the hearing on HB1001.

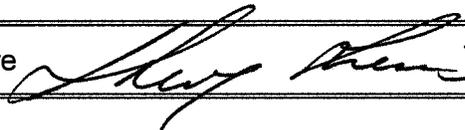
2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Government Operations Division
Medora Room, State Capitol

HB1001
February 11, 2013
Recording Job# 18733

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the office of the governor; and to amend and reenact sections 54-07-04 and 54-08-03 of the North Dakota Century Code, relating the salaries of the governor and lieutenant governor.

Minutes:

Chairman Thoreson: Opened discussion on HB1001.

Representative Glassheim: Are they generally 3%?

Chairman Thoreson: Council and OMB are showing 4% for elected officials.

Chairman Thoreson: Closed the discussion.

2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Government Operations Division
Medora Room, State Capitol

HB1001
February 14, 2013
Recording Job# 18932

Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the office of the governor; and to amend and reenact sections 54-07-04 and 54-08-03 of the North Dakota Century Code, relating the salaries of the governor and lieutenant governor.

Minutes:

Chairman Thoreson: Opened the discussion on HB1001.

Representative Sanford: Made a motion for a "Do Pass"

Representative Guggisberg: Seconded the motion.

A roll call vote for a "Do Pass as Amended" was made. 7 Yeas 0 Nays 0 Absent

Representative Glassheim: Carried the bill.

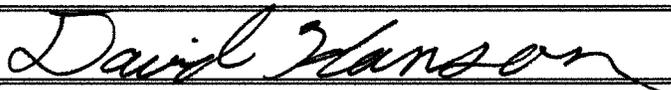
2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Committee Roughrider Room, State Capitol

HB 1001
2/19/13
Job 19214

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the office of the governor; and to amend and reenact sections 54-07-04 and 54-08-03 of the North Dakota Century Code, relating to the salaries of the governor and lieutenant governor.

Minutes:

Attachment 1.

Chairman Delzer: We'll take up HB 1001.

Rep. Glassheim: Moved amendment .01002; seconded by Rep. Thoreson. Rep. Glassheim walked through the amendment.

Chairman Delzer: Discussion on motion? Saw none.

Motion carried on a voice vote.

Rep. Glassheim: Explained the Governor's budget in the bill.

Rep. Glassheim: Moved do pass as amended; seconded by Rep. Thoreson.

Chairman Delzer: Discussion on motion to do pass as amended? Saw none.

Motion carried 21-0-1

Hearing closed.

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1001

Page 1, replace line 12 with:

"Salaries and wages	\$3,278,486	\$213,689	\$3,491,675
Accrued leave payments	0	67,222	67,222"

Page 1, replace line 16 with:

"Total general fund	\$3,708,942	\$275,621	\$3,984,563"
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Page 2, line 11, replace "twenty-one" with "twenty"

Page 2, line 11, remove the overstrike over "five"

Page 2, line 11, remove "six"

Page 2, line 12, replace "eighty-one" with "eleven"

Page 2, line 13, replace "twenty-six" with "twenty-four"

Page 2, line 13, remove the overstrike over "one"

Page 2, line 13, remove "five"

Page 2, line 13, replace "forty-nine" with "twenty-six"

Page 2, line 17, replace "ninety-four" with "ninety-three"

Page 2, line 17, replace "four" with "five"

Page 2, line 18, replace "sixty-two" with "fifty-four"

Page 2, line 18, replace "ninety-eight" with "ninety-six"

Page 2, line 19, replace "two" with "three"

Page 2, line 19, replace "forty-one" with "sixty-one"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1001 - Governor's Office - House Action

	Executive Budget	House Changes	House Version
Salaries and wages	\$3,553,129	(\$61,454)	\$3,491,675
Operating expenses	404,366		404,366
Contingencies	10,000		10,000
Roughrider awards	10,800		10,800
Accrued leave payments		67,722	67,722
Total all funds	\$3,978,295	\$6,268	\$3,984,563
Less estimated income	0	0	0
General fund	\$3,978,295	\$6,268	\$3,984,563

FTE

18.00

0.00

18.00

Department No. 101 - Governor's Office - Detail of House Changes

	Corrects Executive Compensation Package ¹	Adjusts State Employee Compensation and Benefits Package ²	Provides Separate Line Item for Accrued Leave Payments ³	Total House Changes
Salaries and wages	\$72,767	(\$66,499)	(\$67,722)	(\$61,454)
Operating expenses				
Contingencies				
Roughrider awards				
Accrued leave payments			67,722	67,722
Total all funds	\$72,767	(\$66,499)	\$0	\$6,268
Less estimated income	0	0	0	0
General fund	\$72,767	(\$66,499)	\$0	\$6,268
FTE	0.00	0.00	0.00	0.00

¹Funding is added due to a calculation error in the executive compensation package.

²This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 2 to 4 percent year.
- Reduces the market component from 2 to 4 percent per year for employees below the midpoint of their salary range to up to 2 percent for employees in the first quartile of their salary range for the first year of the biennium only.
- Removes funding for additional retirement contribution increases.

³A portion of funding for permanent employees compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees.

Sections 4 and 5 of the bill are amended to reduce the salary increases for the Governor and Lieutenant Governor from 4 percent annual increases as included in the executive budget to 3 percent annual increases.

Date: 2/19/13
Roll Call Vote #: 1

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1001

House Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number -01002

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By Rep. Glassheim Seconded By Rep. Thoreson

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer			Rep. Streyle		
Vice Chairman Kempenich			Rep. Thoreson		
Rep. Bellew			Rep. Wieland		
Rep. Brandenburg					
Rep. Dosch					
Rep. Grande			Rep. Boe		
Rep. Hawken			Rep. Glassheim		
Rep. Kreidt			Rep. Guggisberg		
Rep. Martinson			Rep. Holman		
Rep. Monson			Rep. Williams		
Rep. Nelson					
Rep. Pollert					
Rep. Sanford					
Rep. Skarphol					

Total Yes _____ No _____

Absent _____

Floor Assignment _____

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

voice vote carries

Date: 2/19/13
 Roll Call Vote #: 2

**2013 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 1001**

House Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By Rep. Glassheim Seconded By Rep. Thoreson

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer	X		Rep. Streyle	X	
Vice Chairman Kempenich	X		Rep. Thoreson	X	
Rep. Bellew	X		Rep. Wieland	X	
Rep. Brandenburg	X				
Rep. Dosch					
Rep. Grande	X		Rep. Boe	X	
Rep. Hawken	X		Rep. Glassheim	X	
Rep. Kreidt	X		Rep. Guggisberg	X	
Rep. Martinson	X		Rep. Holman	X	
Rep. Monson	X		Rep. Williams	X	
Rep. Nelson	X				
Rep. Pollert	X				
Rep. Sanford	X				
Rep. Skarphol	X				

Total Yes 21 No 0

Absent 1

Floor Assignment Rep. Glassheim

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

REPORT OF STANDING COMMITTEE

HB 1001: Appropriations Committee (Rep. Delzer, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (21 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1001 was placed on the Sixth order on the calendar.

Page 1, replace line 12 with:

"Salaries and wages	\$3,278,486	\$213,689	\$3,491,675
Accrued leave payments	0	67,222	67,222"

Page 1, replace line 16 with:

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Page 2, line 19, replace "two" with "three"

Page 2, line 19, replace "forty-one" with "sixty-one"

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

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Less estimated income	0	0	0
General fund	\$3,978,295	\$6,268	\$3,984,563
FTE	18.00	0.00	18.00

Department No. 101 - Governor's Office - Detail of House Changes

	Corrects Executive Compensation Package ¹	Adjusts State Employee Compensation and Benefits Package ²	Provides Separate Line Item for Accrued Leave Payments ³	Total House Changes
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Operating expenses				
Contingencies				
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Total all funds	\$72,767	(\$66,499)	\$0	\$6,268
Less estimated income	0	0	0	0
General fund	\$72,767	(\$66,499)	\$0	\$6,268
FTE	0.00	0.00	0.00	0.00

¹Funding is added due to a calculation error in the executive compensation package.

²This amendment adjusts the state employee compensation and benefits package as follows:

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Sections 4 and 5 of the bill are amended to reduce the salary increases for the Governor and Lieutenant Governor from 4 percent annual increases as included in the executive budget to 3 percent annual increases.

2013 SENATE APPROPRIATIONS

HB 1001

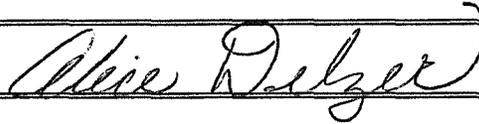
2013 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee Harvest Room, State Capitol

HB 1001
03-06-2013
JOB # 19470

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL regarding the appropriation the office of the Governor.

Minutes:

See attached testimony

Chairman Holmberg called the committee to order on Wednesday, March 06, 2013, at 9:00 am in regards to HB 1001. Roll call was taken. All committee members were present except Vice Chairman Grindberg. Allen H. Knudson, Legislative Council and Joe Morrissette, OMB were also present.

Ron Rauschenberger, Chief of Staff for Governor Dalrymple testified in favor of HB 1001 and provided Testimony attached # 1 regarding the funding for the recommended budget for the Office of the Governor for the 2013-15 biennium. The budget was prepared in accordance with the base budget guidelines provided to all state agencies and is summarized on the table on page 1 of his testimony. He asked that the appropriations committee restore the House reduction to the salaries and wages line item and remove the accrued leave payments line. (6.34)

Chairman Holmberg: We understand and we will have a little workshop, an explanation at some point as to what the House did regarding salaries. As I understand it they reduced the amounts within the budgets and then the language is in 1015, and we will be hearing 1015, so we will learn more about what they specifically did. There is also a proposed amendment to the bill that I have.

Senator Warner: Are there are some things relevant to this budget that appear in other budgets, are there? Is the plane in DOT?

Ron Rauschenberger: We don't have any plane or expenses for plane in our budget. It is under the DOT budget.

Senator Warner: are there any other budgets that contain things which are used mostly by the executive branch or governor's agency. He was told no, mostly DOT.

Senator Warner: So all commercial airline travel would be covered in this one but in-state or out-of-state uses the plane is in DOT? He was told that is correct.

Chairman Holmberg: The interim study that looked at airplanes found that there was the ability to utilize some federal monies for flying through DOT, that wouldn't be available if the money was put into this particular budget.

Ron Rauschenberger: DOT has the ability to fly the governor and federal funds are able to be used because the governor's office oversees DOT as part of the cabinet therefore federal funds are able to be used versus general fund dollars so that is the purpose of that.

Senator Carlisle: Who pays the education of states? He was told OMB pays those. As well as NGA and CSG, we only pay for NCSL in 2001 and boys and girls club is in there too.

Chairman Holmberg any other questions . I have an amendment Testimony attached # 2. Proposed amendment # 13.8130.02001. this was a request from some folks. As you know Section 54.06.19 has some requirements regarding gender balance on boards, commissions and I had had a request that I ran by the governor's office from some interested parties that they would like to see a report given so that it's easy for the public to see just how we are complying with 54.06.19. What this amendment at some point I would ask you to consider would require that the governor shall report an annual report to the budget section regarding the status, the different boards, what percentage on these boards are female and male, etc. I know that when these people were looking at this issue a little earlier I think they were surprised at the number of cabinet level female position there are in the office. (11.02

Ron Rauschenberger: I did a quick headcount of the top management, and if you take away the Water Commission which isn't actually a member of cabinet but sits in for knowledge and everyday advise, and of the top management positions in the state, which I think our cabinet and senior staff members to the governor, it was 50 - 50 down the middle in gender balance. We do have a number of very highly qualified people in both genders running our state that are appointed by the governor. He stated we can gather that information.

Senator Warner asked for a list of the governor's employees and salaries. It would be 18 people.

Joe Morrissette said that would be provided.

Chairman Holmberg closed the hearing on HB 1001.

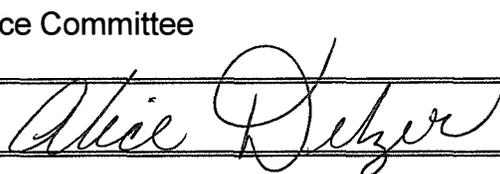
2013 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee Harvest Room, State Capitol

HB 1001
03-18-2013
Job # 20086

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for the Governor's Office (Do Pass as Amended)

Minutes:

You may make reference to "attached testimony."

Chairman Holmberg called the committee to order on Monday, March 18, 2013 In reference to HB 1001. Sheila M. Sandness from Legislative Council and Joe Morrissette from OMB were also present.

Chairman Holmberg: There are two amendments on the Governor's budget. One of them has to do with the original compensation package. #13.8130. 02001. Attachment # 1.

Senator O'Connell moved the amendment #13.8130.02001. 2nd by Senator Robinson. Chairman Holmberg: All in favor say aye. It carried.

Chairman Holmberg: The 2nd amendment # 13.8130.02002, Attachment #2. That would require an annual report. We do have a statute that should aim towards balance. The cabinet level folks, it's about 30-50.

Senator Robinson moved the amendment #13.8130.02002. 2nd by Senator O'Connell. Chairman Holmberg: All in favor say aye. Motion carried.

Vice Chairman Bowman Moved Do Pass as Amended 2nd by Senator Robinson.

A Roll Call vote was taken. Yea:13; Nay: 0; Absent: 0. Senator O'Connell will carry the bill.

The hearing was closed on HB 1001.

2012

Total all funds	\$3,978,295	\$3,984,563	\$66,499	\$4,051,062
Less estimated income	0	0	0	0
	<u>\$3,978,295</u>	<u>\$3,984,563</u>	<u>\$66,499</u>	<u>\$4,051,062</u>
General fund	18.00	18.00	0.00	18.00
FTE				

Department No. 101 - Governor's Office - Detail of Senate Changes

	Restores Executive Budget Compensation Package ¹	Removes Separate Line Item for Accrued Leave Payments ²	Total Senate Changes
Salaries and wages	\$66,499	\$67,722	\$134,221
Operating expenses			
Contingencies			
Roughrider awards			
Accrued leave payments		(67,722)	(67,722)
Total all funds	\$66,499	\$0	\$66,499
Less estimated income	0	0	0
General fund	\$66,499	\$0	\$66,499
FTE	0.00	0.00	0.00

¹Funding reductions made by the House to the state employee compensation and benefits package are restored to the Governor's recommended level.

²The accrued leave payments line item added by the House is removed and the associated funding returned to line items with salaries and wages funding.

A section is added providing that the Governor report to the Budget Section on the gender balance of the Governor's appointments.

Sections 4 and 5 of the bill are changed to provide 4 percent annual salary increases for the Governor and Lieutenant Governor, the same as the executive budget recommendation. The House provided 3 percent annual increases.

Date: 3-14-13

Roll Call Vote # 1

2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 1001

Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number Amend # 13.8/30.02001

Action Taken _____

Motion Made By O'Connell Seconded By Robinson

Senators	Yes	No	Senator	Yes	No
Chariman Ray Holmberg			Senator Tim Mathern		
Co-Vice Chairman Bill Bowman			Senator David O'Connell		
Co-Vice Chair Tony Grindberg			Senator Larry Robinson		
Senator Ralph Kilzer			Senator John Wamer		
Senator Karen Krebsbach					
Senator Robert Erbele					
Senator Terry Wanzek					
Senator Ron Carlisle					
Senator Gary Lee					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

voice carried

Date: 3-18-13

Roll Call Vote # 2

2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 1001

Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number 13.8130.02002

Action Taken Adopt Amendment Do Pass
 Do Pass as Amended Do Not Pass

Motion Made By Robinson Seconded By O'Connell

Senators	Yes	No	Senator	Yes	No
Chairman Ray Holmberg			Senator Tim Mathern		
Co-Vice Chairman Bill Bowman			Senator David O'Connell		
Co-Vice Chair Tony Grindberg			Senator Larry Robinson		
Senator Ralph Kilzer			Senator John Warner		
Senator Karen Krebsbach					
Senator Robert Erbele					
Senator Terry Wanzek					
Senator Ron Carlisle					
Senator Gary Lee					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Vote carried.

Date: 3-18-13

Roll Call Vote # 3

2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 1001

Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Adopt Amendment Do Pass
 Do Pass as Amended Do Not Pass

Motion Made By Bowman Seconded By Robinson

Senators	Yes	No	Senator	Yes	No
Chairman Ray Holmberg	✓		Senator Tim Mathern	✓	
Co-Vice Chairman Bill Bowman	✓		Senator David O'Connell	✓	
Co-Vice Chair Tony Grindberg	✓		Senator Larry Robinson	✓	
Senator Ralph Kilzer	✓		Senator John Warner	✓	
Senator Karen Krebsbach	✓				
Senator Robert Erbele	✓				
Senator Terry Wanzek	✓				
Senator Ron Carlisle	✓				
Senator Gary Lee	✓				

Total (Yes) 13 No 0

Absent 0

Floor Assignment O'Connell

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

Total all funds				
Less estimated income	0	0	0	0
General fund	\$3,978,295	\$3,984,563	\$66,499	\$4,051,062
FTE	18.00	18.00	0.00	18.00

Department No. 101 - Governor's Office - Detail of Senate Changes

	Restores Executive Budget Compensation Package ¹	Removes Separate Line Item for Accrued Leave Payments ²	Total Senate Changes
Salaries and wages	\$66,499	\$67,722	\$134,221
Operating expenses			
Contingencies			
Roughrider awards			
Accrued leave payments		(67,722)	(67,722)
Total all funds	\$66,499	\$0	\$66,499
Less estimated income	0	0	0
General fund	\$66,499	\$0	\$66,499
FTE	0.00	0.00	0.00

¹Funding reductions made by the House to the state employee compensation and benefits package are restored to the Governor's recommended level.

²The accrued leave payments line item added by the House is removed and the associated funding returned to line items with salaries and wages funding.

A section is added providing that the Governor report to the Budget Section on the gender balance of the Governor's appointments.

Sections 4 and 5 of the bill are changed to provide 4 percent annual salary increases for the Governor and Lieutenant Governor, the same as the executive budget recommendation. The House provided 3 percent annual increases.

2013 CONFERENCE COMMITTEE

HB 1001

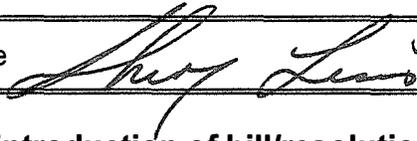
2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Government Operations Division
Medora Room, State Capitol

HB1001
April 23, 2013
Recording Job# 21462

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the office of the governor; and to amend and reenact sections 54-07-04 and 54-08-03 of the North Dakota Century Code, relating the salaries of the governor and lieutenant governor.

Minutes:

Chairman Thoreson: Opened the conference committee on HB1001.

Chairman Thoreson: Went through the changes made by the Senate.

Representative Brandenburg: Explained the amendment 13.8130.02004.

Representative Brandenburg: Made a motion to move the amendment.

Senator Holmberg: Seconded the motion.

Chairman Thoreson: I was curious as to how that section was added. The House is not as comfortable with that and needs some discussion as to where that came from.

Senator Holmberg: It came from a request from some citizens knowing that this statute requires the executive branch to try to reach gender balance. It's current law; it's not new law. What we put on the bill is it is the law and the governor's office has to keep track of these things. This other amendment that you suggest, I don't have a problem with that, but not in lieu of what the Senate passed. The bottom line is, you haven't repealed the current law. The statute says gender and you said that they just need to report qualifications.

Representative Brandenburg: The question I have is do you have to have so many men or women on these boards? Maybe we need some clarification.

Senator Holmberg: I didn't write that law; but it is in the books. If we want to look at it as great compliance; it is.

Chairman Thoreson: If this is currently in statute, is there anything being done at this time to quantify this? Is there a list that's kept that the public can access or is available on the state website?

Senator O'Connell: I met with Ron in his office and it was almost 50/50 when I met with him.

Ron Rauschenberger, Chief of State, ND Office of the Governor: We do have all of this on a website. It is by name and designated by board. We do not have our senior staff named on the board. I think everything else would be.

Chairman Thoreson: All that information is available to the public in a fairly transparent manner.

Ron Rauschenberger: It is all on the website at ND.gov; but not the senior staff.

Senator Holmberg: The statute is from 1989.

Chairman Thoreson: The statute is there and I also understand that it's available in some sort. I'd like to get this finished but I think we may have to visit upstairs beforehand.

Chairman Thoreson: Closed the conference committee

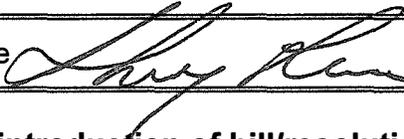
2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Government Operations Division
Medora Room, State Capitol

HB1001
April 25, 2013
Recording Job# 21500

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the office of the governor; and to amend and reenact sections 54-07-04 and 54-08-03 of the North Dakota Century Code, relating the salaries of the governor and lieutenant governor.

Minutes:

Chairman Thoreson: Opened the conference committee on HB1001.

Representative Brandenburg: I'm wondering if somebody requested it. It is in statute right now; is that a possibility that it could be provided that way?

Senator Holmberg: As a person who has chaired the budget section several times. It doesn't mean that someone has to read someone. It just has to be filed with the budget section. It would be on our agenda at some point; and that would be it.

Representative Brandenburg: I wonder if we have legislative council report or something like that. Where you can go to someplace and they can report the status of gender balance. Is that something that could be discussed?

Chairman Thoreson: I think that in discussions on the House side that the thought was since the language is already in statute and that most of this is on the website that the report would be available if it were to be requested by legislative management; was one suggestion.

Representative Glassheim: We get an awful lot of reports at budget section. I don't understand why the House doesn't want one piece of paper to report the gender balance.

Senator Holmberg: Representative Glassheim said a point of the thought process that I don't believe it was ever intended to be absolute.

Representative Brandenburg: I'm trying to figure out a way to put some language in here. We're thinking we want to have the best qualified person there and so it doesn't get interpreted that it has to be that way.

Senator Holmberg: You want to debate the bill from 1989 and all we're saying that's what the law is. It is permissive; but, in the spirit of compromise, what would be the reaction if we remove the words "the budget section" and they shall report annually to legislative management?

Chairman Thoreson: I was pulling up this section of the Century Code; in reading this I don't know if it addresses the governor's cabinet. That part still would not quite be what was passed by this body some years back; so, I don't know if that makes an issue or not that we are now requiring a report to legislative management about balance within the governor's cabinet when that's not in statute.

Senator Carlisle: Senator Holmberg's idea certainly meets you more than half way.

Chairman Thoreson: I'm still wondering if by doing this are we going beyond the scope of the century code by requiring a report with the members of the governor's cabinet. I don't see that in current statute.

Senator Holmberg: In the breach how would this work?

Ron Rauschenberger, Chief of State, ND Office of the Governor: Our cabinet and senior staff is very well divided in a number of ways. We're fine with reporting.

Chairman Thoreson: You wouldn't have a concern with adding the governor's cabinet?

Ron Rauschenberger: No, that's fine.

Senator Holmberg: Made a motion to recede from its amendments and further amend to include the compensation issues that have been discussed earlier; and then the removal of the budget section from page 2 line 11 of the engrossed bill.

Senator Carlisle: Seconded the motion.

Chairman Thoreson: The language change would just remove the budget section on line 11 of page 2 and then the title would change also?

Allan Knudson, Fiscal Analyst, ND Legislative Council: We would just change it to legislative management report.

Senator Carlisle: Representative Brandenburg had an amendment motion the other day but that just goes aside because we didn't vote on it.

Senator Holmberg: Removed his second from the motion made on April 24, 2013.

Representative Brandenburg: Removed his motion.

Roll call vote 6 Yeas 0 Nays 0 Absent

Chairman Thoreson: Closed the conference committee.

VR
4/25/13
168 2

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1001

That the Senate recede from its amendments as printed on pages 1038 and 1039 of the House Journal and pages 809-811 of the Senate Journal and that Engrossed House Bill No. 1001 be amended as follows:

Page 1, line 2, remove the first "and"

Page 1, line 3, after the second "governor" insert "; and to provide for a report to the legislative management"

Page 1, replace lines 12 and 13 with:

"Salaries and wages	\$3,278,486	\$262,499	\$3,540,985
Accrued leave payments	0	67,722	67,722"

Page 1, replace line 17 with:

"Total general fund	\$3,708,942	\$324,931	\$4,033,873"
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Page 2, after line 9, insert:

"SECTION 4. APPOINTMENTS - LEGISLATIVE MANAGEMENT REPORT.

The governor or the governor's designee shall report to the legislative management annually regarding the status of gender balance on appointive boards, commissions, committees, and councils as provided in section 54-06-19 and within the governor's appointive cabinet for the biennium beginning July 1, 2013, and ending June 30, 2015.

Page 2, line 13, replace "twenty" with "twenty-one"

Page 2, line 13, overstrike "five" and insert immediately thereafter "six"

Page 2, line 14, replace "eleven" with "eighty-one"

Page 2, line 14, replace "twenty-four" with "twenty-five"

Page 2, line 15, overstrike "one" and insert immediately thereafter "three"

Page 2, line 15, replace "twenty-six" with "thirty-one"

Page 2, line 19, replace "ninety-three" with "ninety-four"

Page 2, line 19, replace "five" with "four"

Page 2, line 20, replace "fifty-four" with "sixty-two"

Page 2, line 20, replace "ninety-six" with "ninety-seven"

Page 2, line 21, replace "three" with "two"

Page 2, line 21, replace "sixty-one" with "ninety-six"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1001 - Governor's Office - Conference Committee Action

	Executive Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$3,553,129	\$3,491,675	\$49,310	\$3,540,985	\$3,625,896	(\$84,911)
Operating expenses	404,366	404,366		404,366	404,366	
Contingencies	10,000	10,000		10,000	10,000	
Roughrider awards	10,800	10,800		10,800	10,800	
Accrued leave payments		67,722		67,722		67,722
Total all funds	\$3,978,295	\$3,984,563	\$49,310	\$4,033,873	\$4,051,062	(\$17,189)
Less estimated income	0	0	0	0	0	0
General fund	\$3,978,295	\$3,984,563	\$49,310	\$4,033,873	\$4,051,062	(\$17,189)
FTE	18.00	18.00	0.00	18.00	18.00	0.00

Department No. 101 - Governor's Office - Detail of Conference Committee Changes

	Removes House Changes to Executive Compensation Package ¹	Adjusts State Employee Compensation and Benefits Package ²	Total Conference Committee Changes
Salaries and wages	\$66,499	(\$17,189)	\$49,310
Operating expenses			
Contingencies			
Roughrider awards			
Accrued leave payments			
Total all funds	\$66,499	(\$17,189)	\$49,310
Less estimated income	0	0	0
General fund	\$66,499	(\$17,189)	\$49,310
FTE	0.00	0.00	0.00

¹ Changes made by the House to the executive compensation package are removed.

² This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 3 to 5 percent for the first year of the biennium and 2 to 4 percent for the second year of the biennium.
- Reduces funding for retirement contribution increases to provide for a 1 percent state and 1 percent employee increase beginning in January 2014 and no increase in January 2015.

A section is added providing that the Governor report to the Legislative Management on the gender balance of the Governor's appointments. The Senate provided for a report to the Budget Section.

Sections 4 and 5 of the bill are changed to provide a 4 percent first year and a 3 percent second year salary increase for the Governor and Lieutenant Governor. The Senate and the executive budget provided 4 percent annual increases. The House provided 3 percent annual increases.

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Appropriations - Government Operations

Bill/Resolution No. HB1001 as (re) engrossed

Date: April 25, 2013

Roll Call Vote #: 1

- Action Taken**
- HOUSE accede to Senate amendments
 - HOUSE accede to Senate amendments and further amend
 - SENATE recede from Senate amendments
 - SENATE recede from Senate amendments and amend as follows

House/Senate Amendments on HJ/SJ page(s) 1038 - 1039

- Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) HB 1001 was placed on the Seventh order of business on the calendar

Motion Made by: Senator Holmberg Seconded by: Senator Carlisle

Representatives	4-23	4-25	Yes	No		Senators	4-23	4-25	Yes	No
Chairman Thoreson	X	X	X			Senator Carlisle	X	X	X	
Rep Brandenburg	X	X	X			Senator Holmberg	X	X	X	
Rep Glassheim	x	x	x			Senator O'Connell	x	x	X	

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier Representative Thoreson Senate Carrier Senator Carlisle

LC Number _____ . 02006 of amendment

LC Number _____ . _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment Would remove budget section on line 11 page 2 of engrossed bill; and title would change to legislative management report. To change the compensation package as done on previous bills.

REPORT OF CONFERENCE COMMITTEE

HB 1001, as engrossed: Your conference committee (Sens. Carlisle, Holmberg, O'Connell and Reps. Thoreson, Brandenburg, Glassheim) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1038-1039, adopt amendments as follows, and place HB 1001 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1038 and 1039 of the House Journal and pages 809-811 of the Senate Journal and that Engrossed House Bill No. 1001 be amended as follows:

Page 1, line 2, remove the first "and"

Page 1, line 3, after the second "governor" insert "; and to provide for a report to the legislative management"

Page 1, replace lines 12 and 13 with:

"Salaries and wages	\$3,278,486	\$262,499	\$3,540,985
Accrued leave payments	0	67,722	67,722"

Page 1, replace line 17 with:

"Total general fund	\$3,708,942	\$324,931	\$4,033,873"
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Page 2, after line 9, insert:

"SECTION 4. APPOINTMENTS - LEGISLATIVE MANAGEMENT REPORT.

The governor or the governor's designee shall report to the legislative management annually regarding the status of gender balance on appointive boards, commissions, committees, and councils as provided in section 54-06-19 and within the governor's appointive cabinet for the biennium beginning July 1, 2013, and ending June 30, 2015.

Page 2, line 13, replace "twenty" with "twenty-one"

Page 2, line 13, overstrike "five" and insert immediately thereafter "six"

Page 2, line 14, replace "eleven" with "eighty-one"

Page 2, line 14, replace "twenty-four" with "twenty-five"

Page 2, line 15, overstrike "one" and insert immediately thereafter "three"

Page 2, line 15, replace "twenty-six" with "thirty-one"

Page 2, line 19, replace "ninety-three" with "ninety-four"

Page 2, line 19, replace "five" with "four"

Page 2, line 20, replace "fifty-four" with "sixty-two"

Page 2, line 20, replace "ninety-six" with "ninety-seven"

Page 2, line 21, replace "three" with "two"

Page 2, line 21, replace "sixty-one" with "ninety-six"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1001 - Governor's Office - Conference Committee Action

	Executive Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$3,553,129	\$3,491,675	\$49,310	\$3,540,985	\$3,625,896	(\$84,911)
Operating expenses	404,366	404,366		404,366	404,366	
Contingencies	10,000	10,000		10,000	10,000	
Roughrider awards	10,800	10,800		10,800	10,800	
Accrued leave payments		67,722		67,722		67,722
Total all funds	\$3,978,295	\$3,984,563	\$49,310	\$4,033,873	\$4,051,062	(\$17,189)
Less estimated income	0	0	0	0	0	0
General fund	\$3,978,295	\$3,984,563	\$49,310	\$4,033,873	\$4,051,062	(\$17,189)
FTE	18.00	18.00	0.00	18.00	18.00	0.00

Department No. 101 - Governor's Office - Detail of Conference Committee Changes

	Removes House Changes to Executive Compensation Package ¹	Adjusts State Employee Compensation and Benefits Package ²	Total Conference Committee Changes
Salaries and wages	\$66,499	(\$17,189)	\$49,310
Operating expenses			
Contingencies			
Roughrider awards			
Accrued leave payments			
Total all funds	\$66,499	(\$17,189)	\$49,310
Less estimated income	0	0	0
General fund	\$66,499	(\$17,189)	\$49,310
FTE	0.00	0.00	0.00

¹ Changes made by the House to the executive compensation package are removed.

² This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 3 to 5 percent for the first year of the biennium and 2 to 4 percent for the second year of the biennium.
- Reduces funding for retirement contribution increases to provide for a 1 percent state and 1 percent employee increase beginning in January 2014 and no increase in January 2015.

A section is added providing that the Governor report to the Legislative Management on the gender balance of the Governor's appointments. The Senate provided for a report to the Budget Section.

Sections 4 and 5 of the bill are changed to provide a 4 percent first year and a 3 percent second year salary increase for the Governor and Lieutenant Governor. The Senate and the executive budget provided 4 percent annual increases. The House provided 3 percent annual increases.

Engrossed HB 1001 was placed on the Seventh order of business on the calendar.

2013 TESTIMONY

HB 1001

HB 1001
January 17, 2013
Attachment 1

TESTIMONY OF
RON RAUSCHENBERGER, CHIEF OF STAFF FOR GOVERNOR DALRYMPLE
IN SUPPORT OF
2013 HOUSE BILL NO. 1001 - OFFICE OF THE GOVERNOR

PRESENTED TO
HOUSE APPROPRIATIONS COMMITTEE – GOVERNMENT OPERATIONS DIVISION
REPRESENTATIVE BLAIR THORESON, CHAIRMAN
THURSDAY, JANUARY 17, 2012

Chairman Thoreson and members of the House Appropriations Committee – Government Operations Division, I am here to ask your support for the budget recommendation for the Office of the Governor. The recommended budget for the Office of the Governor for the 2013-15 biennium continues existing programs with no increase in FTE. The budget was prepared in accordance with the base budget guidelines provided to all state agencies. No optional package was submitted in excess of the base budget amounts and no changes to the recommended budget are requested. The budget is summarized on the table below:

	2011-13 Appropriation	2013-15 Recommendation	Increase (Decrease)
Salaries and wages	\$3,278,486	\$3,553,129	\$274,643
Operating expenses	409,656	404,366	(5,290)
Contingency	10,000	10,000	0
Governor's transition in	15,000	0	(15,000)
Governor's transition out	50,000	0	(50,000)
Roughrider awards	10,800	10,800	0
Education jobs fund program	<u>21,517,716</u>	<u>0</u>	<u>(21,517,716)</u>
Total expenditures	\$25,291,658	\$3,978,295	(\$21,313,363)
General fund	\$3,773,942	\$3,978,295	\$204,353
Federal funds	<u>21,517,716</u>	<u>0</u>	<u>(21,517,716)</u>
Total funds	\$25,291,658	\$3,978,295	(\$21,313,363)
FTE	18.00	18.00	0.00

Salaries and wages

The recommended funding for salaries and wages supports 18.00 FTE positions. Funding is increased by \$274,643. This increase consists of \$108,078 to continue salary levels at the fiscal year 2013 level and \$166,565 to fund the executive compensation package of full health insurance coverage, the proposed 2 percent increase in the rate for state retirement contributions, and annual performance-based salary increases for the agency's non-classified staff.

Operating expenses

The recommended funding for operating expenses represents a reduction of \$5,290. This decrease consists of the following:

- A \$1,536 reduction in risk management premiums, based on guidelines provided by the Office of Management and Budget – Risk Management Division.
- A \$3,955 increase for technology services, based on estimated rate increases provided by the Information Technology Division.
- A \$12,000 inflationary increase in contractual services.
- A \$19,709 reduction in travel, IT equipment, and IT data processing to meet the base budget limit.

Transition

The Governor's transition in and transition out lines provided \$65,000 to fund potential transition expenses. These funds will not be used during the 2011-13 biennium and will be returned to the general fund. As one-time appropriations for the 2011-13 biennium only, they are not included in the 2013-15 recommended budget.

Federal funds

The executive recommendation removes \$21,517,716 for the education jobs fund program, a one-time appropriation of federal funds for the 2011-13 biennium. Funds were distributed to school districts through the Department of Public Instruction, as directed by the 2011 legislature and federal regulations.

Mr. Chairman and members of the House Appropriations Committee – Government Operations Division, I ask your favorable consideration of this budget and am available, along with Office of Management and Budget staff, to answer any questions you have.

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1001

Page 1, replace line 12 with:

"Salaries and wages	\$3,278,486	\$213,189	\$3,491,675
Accrued leave payments	0	67,222	67,222"

Page 1, replace line 16 with:

"Total general fund	\$3,708,942	\$275,621	\$3,984,563"
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Page 2, line 11, replace "twenty-one" with "twenty"

Page 2, line 11, remove the overstrike over "five"

Page 2, line 11, remove "six"

Page 2, line 12, replace "eighty-one" with "eleven"

Page 2, line 13, replace "twenty-six" with "twenty-four"

Page 2, line 13, remove the overstrike over "one"

Page 2, line 13, remove "five"

Page 2, line 13, replace "forty-nine" with "twenty-six"

Page 2, line 17, replace "ninety-four" with "ninety-three"

Page 2, line 17, replace "four" with "five"

Page 2, line 18, replace "sixty-two" with "fifty-four"

Page 2, line 18, replace "ninety-eight" with "ninety-six"

Page 2, line 19, replace "two" with "three"

Page 2, line 19, replace "forty-one" with "sixty-one"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1001 - Governor's Office - House Action

	Executive Budget	House Changes	House Version
Salaries and wages	\$3,553,129	(\$61,454)	\$3,491,675
Operating expenses	404,366		404,366
Contingencies	10,000		10,000
Roughrider awards	10,800		10,800
Accrued leave payments		67,722	67,722
Total all funds	\$3,978,295	\$6,268	\$3,984,563
Less estimated income	0	0	0
General fund	\$3,978,295	\$6,268	\$3,984,563

FTE

18.00

0.00

18.00

Department No. 101 - Governor's Office - Detail of House Changes

	Corrects Executive Compensation Package¹	Adjusts State Employee Compensation and Benefits Package²	Provides Separate Line Item for Accrued Leave Payments³	Total House Changes
Salaries and wages	\$72,767	(\$66,499)	(\$67,722)	(\$61,454)
Operating expenses				
Contingencies				
Roughrider awards				
Accrued leave payments			67,722	67,722
Total all funds	\$72,767	(\$66,499)	\$0	\$6,268
Less estimated income	0	0	0	0
General fund	\$72,767	(\$66,499)	\$0	\$6,268
FTE	0.00	0.00	0.00	0.00

¹Funding is added due to a calculation error in the executive compensation package.

²This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 2 to 4 percent year.
- Reduces the market component from 2 to 4 percent per year for employees below the midpoint of their salary range to up to 2 percent for employees in the first quartile of their salary range for the first year of the biennium only.
- Removes funding for additional retirement contribution increases.

³A portion of funding for permanent employees compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees.

Sections 4 and 5 of the bill are amended to reduce the salary increases for the Governor and Lieutenant Governor from 4 percent annual increases as included in the executive budget to 3 percent annual increases.

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TESTIMONY OF
RON RAUSCHENBERGER, CHIEF OF STAFF FOR GOVERNOR DALRYMPLE
 IN SUPPORT OF
2013 HOUSE BILL NO. 1001 - OFFICE OF THE GOVERNOR

PRESENTED TO
SENATE APPROPRIATIONS COMMITTEE
SENATOR RAY HOLMBERG, CHAIRMAN
WEDNESDAY, MARCH 6, 2013

Chairman Holmberg and members of the Senate Appropriations Committee, I am here to ask your support for the budget recommendation for the Office of the Governor. The recommended budget for the Office of the Governor for the 2013-15 biennium continues existing programs with no increase in FTE. The budget was prepared in accordance with the base budget guidelines provided to all state agencies. No optional package was submitted in excess of the base budget amounts. The budget is summarized on the table below:

	2011-13 Appropriation	2013-15 Recommendation (Corrected)	2013-15 House Version	Requested Change from House Version
Salaries and wages	\$3,278,486	\$3,625,896	\$3,491,675	\$134,221
Operating expenses	409,656	404,366	404,366	0
Contingency	10,000	10,000	10,000	0
Governor's transition in	15,000	0	0	0
Governor's transition out	50,000	0	0	0
Roughrider awards	10,800	10,800	10,800	0
Accrued leave payments	0	0	67,722	(67,722)
Education jobs fund	<u>21,517,716</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total expenditures	\$25,291,658	\$4,051,062	\$3,984,563	\$66,499
General fund	\$3,773,942	\$4,051,062	\$3,984,563	\$66,499
Federal funds	<u>21,517,716</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total funds	\$25,291,658	\$4,051,062	\$3,984,563	\$66,499
FTE	18.00	18.00	18.00	0.00

Salaries and wages

The recommended funding for salaries and wages supports 18.00 FTE positions. Funding is increased by \$347,410. This increase consists of \$108,078 to continue salary levels at the fiscal year 2013 level and \$239,332 to fund the executive compensation package of full health insurance coverage, the proposed 2 percent increase in the rate for state retirement contributions, and annual performance-based salary increases for the agency's non-classified staff.

As you are aware, an error occurred in the calculation of the executive compensation package relating to the recommended increase for non-classified positions. Because the Governor's Office staff are all non-classified employees, this resulted in a need to add \$72,767 to fully fund the recommended compensation package. This adjustment was made by the House and I ask

/

you to support this change in our budget, just as you have in the other budgets you considered before cross-over. Other House changes to the salaries and wages line item include a reduction of \$66,499 relating to the House proposed compensation package and \$67,722 transferred to the proposed accrued leave payments line item. I ask that you restore the House reduction of \$134,221 to the salaries and wages line item and remove the accrued leave payments line.

Operating expenses

The recommended funding for operating expenses represents a reduction of \$5,290. This decrease consists of the following:

- A \$1,536 reduction in risk management premiums, based on guidelines provided by the Office of Management and Budget – Risk Management Division.
- A \$3,955 increase for technology services, based on estimated rate increases provided by the Information Technology Division.
- A \$12,000 inflationary increase in contractual services.
- A \$19,709 reduction in travel, IT equipment, and IT data processing to meet the base budget limit.

Transition

The Governor's transition in and transition out lines provided \$65,000 to fund potential transition expenses. These funds will not be used during the 2011-13 biennium and will be returned to the general fund. As one-time appropriations for the 2011-13 biennium only, they are not included in the 2013-15 recommended budget.

Federal funds

The executive recommendation removes \$21,517,716 for the education jobs fund program, a one-time appropriation of federal funds for the 2011-13 biennium. Funds were distributed to school districts through the Department of Public Instruction, as directed by the 2011 legislature and federal regulations.

Mr. Chairman and members of the Senate Appropriations Committee, I ask your favorable consideration of this budget and am available, along with Office of Management and Budget staff, to answer any questions you have.

13.8130.02001
Title.

Prepared by the Legislative Council staff for
Senator Holmberg
March 4, 2013

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3-18-E

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1001

Page 1, line 2, after the semicolon insert "to provide for budget section reports;"

Page 2, after line 9, insert:

"SECTION 4. APPOINTMENTS - BUDGET SECTION REPORT. The governor shall report to the budget section of the legislative management annually regarding the status of gender balance on appointive boards, commissions, committees, and councils as provided in section 54-06-19 and within the governor's appointive cabinet for the biennium beginning July 1, 2013, and ending June 30, 2015."

Renumber accordingly

Department No. 101 - Governor's Office - Detail of Senate Changes

	Restores Executive Budget Compensation Package ¹	Removes Separate Line Item for Accrued Leave Payments ²	Total Senate Changes
Salaries and wages	\$66,499	\$67,722	\$134,221
Operating expenses			
Contingencies			
Roughrider awards			
Accrued leave payments		(67,722)	(67,722)
Total all funds	\$66,499	\$0	\$66,499
Less estimated income	0	0	0
General fund	\$66,499	\$0	\$66,499
FTE	0.00	0.00	0.00

¹Funding reductions made by the House to the state employee compensation and benefits package are restored to the Governor's recommended level.

²The accrued leave payments line item added by the House is removed and the associated funding returned to line items with salaries and wages funding.

Sections 4 and 5 of the bill are changed to provide 4 percent annual salary increases for the Governor and Lieutenant Governor, the same as the executive budget. The House provided 3 percent annual increases.