

2013 HOUSE APPROPRIATIONS

HB 1015

2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Government Operations Division
Medora Room, State Capitol

HB1015
January 16, 2013
17313

Conference Committee

Committee Clerk Signature

Meredith Fracholt

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; to amend and reenact section 15.1-27-25 of the North Dakota Century Code, relating to distributions of royalties; to provide an exemption; to provide for various transfers; to provide legislative intent; and to declare an emergency.

Minutes:

Chairman Thoreson: Opened the hearing on HB1015.

Pam Sharp, Director, ND Office of Management and Budget: See testimony Attachment 1.

04:18

Chairman Thoreson: When do you expect the implementation of the new inventory system to occur?

Sherry Neas, Central Services Division: Most implementation will be done by June 30, and final acceptance is October.

Sharp: Resumed presentation.

Chairman Thoreson: Do you have any other vacancies at this time?

Sharp: At this time we have one vacancy in Central Services and one in HRMS.

Chairman Thoreson: You're looking to fill those at this time?

Sharp: Yes. Resumed presentation, minute 05:35.

07:55

Chairman Thoreson: Those parking lots are still in the process of being done?

John Boyle, Facility Management: That money will be carried over to be included with an additional \$4 M that's in the Governor's recommendation to finish the next phase of a three-phase project for the north parking lot. I will speak more of that in my testimony later.

Sharp: Resumed presentation.

13:20

Chairman Thoreson: That person (for 125th anniversary celebration) has just been brought on board?

Sharp: Yes, it's a temporary person to work until we reach the anniversary. It's a one-time expense, not ongoing.

Chairman Thoreson: What is the responsibility of that position?

Sharp: This person will be working with the Heritage Center. There will be a committee appointed by the Governor to determine what kinds of activities they want to have for this celebration. This person will coordinate everything and make sure everything happens.

Representative Kempenich: Is this one person or one person plus some?

Sharp: This is one person plus operating expenses for one person. The Heritage Center itself has money in their budget for the activities and brochures and whatever needs to be done, \$150,000 I think.

Chairman Thoreson: Is there going to be solicitation of private dollars to help do any of the events?

Sharp: I'm not aware. That's probably something that committee will decide. Resumed presentation, minute 15:45.

20:15

Representative Kempenich: Do you have a flow chart for the \$744.3 M on property tax relief? It's going into next biennium, too, correct?

Sharp: We have some status statements in our book that I can show you. I can show you how it goes out of the general fund and into the 13-15 biennium, and then we add to that the \$341 M that is deposited into that fund from oil money, and that gives us the \$714 M for the 13-15 biennium. For the 15-17 biennium, there's another \$341 M that would get deposited from oil money, and then this \$372 M would be added to that to fund that biennium. Resumed presentation on page 4, minute 22:08.

27:30

Chairman Thoreson: Would this create a new fund (referring to Section 10 of Attachment 1)? The federal mineral royalties distribution fund that's named in the language?

Sharp: Yes, like a holding fund until it was distributed. Yes, that's the name in the language. It would be a lot cleaner for that distribution, so the revenue to the general fund isn't going up and down.

Brady Larson, Legislative Council: The language is in Subsection 7.

Sharp: This is how other departments handle their refunds. Resumed presentation page 5, minute 28:35.

Representative Kempnich: The way you've structured the agencies this year, with all the performance, you have your own performance and market monies, correct?

Sharp: Yes, OMB's share is calculated the same as the other agencies.

30:05

Sheila Peterson, Director, Fiscal Management Division, OMB: Took up presentation of Attachment 1 on page 6-7. Concluded 32:15.

Representative Glassheim: What happened that we were some 40% off in the projection of revenues? What factors were involved?

Peterson: Over this last biennium, I think we saw the models that Moody's Analytics has didn't really capture the growth that was going on in our state. They have worked over these last couple of years to refine that and try to key in on other metrics that could be used to more accurately and quickly predict where our revenues are going.

Representative Glassheim: So it was the metrics of rapid increase in productivity?

Sharp: It was the rapid increase of our whole economy; it wasn't just oil, it was everything. The model they had been using was not refined enough to capture the sudden huge increase in all of the activity.

Representative Glassheim: So you have more confidence now?

Sharp: Much more confidence. The way our forecast has been tracking for the first six months, since July when we did a new preliminary revenue forecast, we're within about \$20 M in what our collections are. That's much much closer.

Chairman Thoreson: The model that Moody's was using, did that take into effect what was happening nationwide, and perhaps part of the reason they were less optimistic?

Sharp: You're correct. They start with a national macro.

35:25

Tag Anderson, Director, Risk Management Division, OMB: See testimony in Attachment 1, page 9. Concluded 37:40.

Representative Glassheim: How much have we paid out roughly in claims during the biennium, and how many have there been?

Anderson: I will have to get you that information. As of October 2012, our total indemnity incurred was about \$6.7 M, with expenses of about \$3.2 M. This is since the fund was established in 1997. For FY2012 it is approximately \$200,000 in indemnity with \$10,000 in expenses, FY2011 was \$194,000 with \$45,000 in expenses. The state does a tremendous job of keeping its liability exposure and expenses very low.

41:00

Laurie Sterioti Hammeren, Director of Human Resource Management Services, OMB: See testimony in Attachment 1, page 11. Concluded 42:50.

Chairman Thoreson: Regarding HR management support, consulting, and coaching, is that something you reach out to do, or do you need to be contacted to provide the services?

Sterioti Hammeren: We do both.

Chairman Thoreson: Do you determine which agencies you do this with on a regular basis, or how is that decided?

Sterioti Hammeren: My staff are assigned agencies. We have at least one primary assigned professional as well as a backup, and they work with them on a number of HR functions.

Chairman Thoreson: On the position that's going from special to general funds, where was that transferred from?

Sterioti Hammeren: It was transferred from Central Services.

Representative Sanford: How did we determine 'market' for compensation?

Sterioti Hammeren: We expanded the evaluation of our market to include more emphasis on ND salaries. We used Job Service data and Hay used their data and a custom survey primarily focusing on ND employers, we used benchmark positions, and we used the 10 state regional state entities.

45:25

Sherry Neas, Director, OMB Central Services Division: See testimony in Attachment 1, page 13.

Representative Kempenich: Does state surplus stay in your inventory for a certain length of time, or does it always have to go to a governmental agency?

Neas: There's a state law that requires all state agencies to transfer all their surplus property to state surplus, and then we make that surplus property available to other government entities and eligible non-profits. It also operates the federal surplus property

program. Federal surplus property is made available to state governments; we find it, pay the transportation to bring it in, then do the same thing as with state property. We're reallocating or redistributing property at a fair market value. The overall budget increase is largely increase in operating for those special fund programs. As we have increased business, we need that spending authority to acquire our inventory.

Chairman Thoreson: We choose to be a part of the federal program, correct?

Neas: Yes.

Chairman Thoreson: You're comfortable that it's been worthwhile to do so?

Neas: It's been an amazing benefit for us. Resumed testimony and concluded 50:30.

Chairman Thoreson: I noticed on your chart that you have two vacant positions. How long have they been open?

Neas: Yes, one opened in November, and the other has been open since September.

Chairman Thoreson: Have you seen quite a bit of turnover recently?

Neas: State surplus has fairly high turnover, about every two years. Procurement has higher turnover, also.

51:40

Jon Boyle, Director, Facility Management Division, OMB: See testimony in Attachment 1, page 15.

Chairman Thoreson: Do you have open positions right now?

Boyle: Yes, some vacant custodial positions in addition to the one we are giving up.

58:50

Chairman Thoreson: When was the last time there was a comprehensive look at the capitol grounds? Will you be doing one again?

Boyle: We would like to do an enhancement to the master plan, which was done in 2000. It probably is time to do an updating. Maybe in the 15-17 biennium.

Representative Hawken: The cafeteria corridor, does that include the cafeteria?

Boyle: Right now we are in the process, we've picked all the materials, for remodeling the cafeteria. That project will commence in May. Concluded testimony 1:01:35.

Chairman Thoreson: What else do you have on your master list for the next biennium?

Boyle: Besides these, we do have a list of other projects that are in our base budget. One we will do if so approved is the stairwell pressurization project. We have a heat pump

replacement project in process. We would like to put an air curtain in the vestibule of the external entrance to the Judicial Wing.

Chairman Thoreson: What about space issues?

Boyle: We do have space issues on the grounds. However, one agency is currently working with a developer; they have five locations in Bismarck and they would like to consolidate into one building. That will free up space in the Judicial Wing. The Court, DHS, Health all need space and could use some of the vacated space if it opens up. Agencies are working on right-sizing their space.

Chairman Thoreson: Closed the hearing on HB1015.

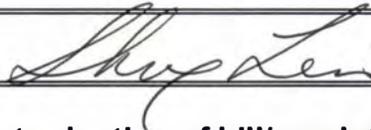
2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Government Operations Division
Medora Room, State Capitol

HB1015
January 28, 2013
Recording Job# 17853

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

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Minutes:

Chairman Thoreson: Opened the hearing on HB1015.

Pam Sharp, Director, ND Office of Management and Budget: Explained the green sheet.

1:53

Chairman Thoreson: What kind of stuff is it we're looking to replace and fix up?

Pam Sharp: In this regard we're not looking at any one particular project. Prairie Public had submitted over \$2 million worth of things that needed to be done; so this will just be used as matching funds for federal grants that they will get to get those projects done.

Chairman Thoreson: So this would be used as a match for federal money?

John Harris, President and CEO, Prairie Public Broadcasting: We will try to use it for a match whenever possible.

Chairman Thoreson: What kind of things are you looking at?

John Harris: See testimony attachment 3.

4:34

Chairman Thoreson: There was moisture getting in or was it not getting out?

John Harris: Moisture was not getting out and it deteriorated the integrity of the structures.

Chairman Thoreson: So you'll have to repair or replace them?

John Harris: We have to replace them; repairing didn't make much sense. Our engineers are in the process of building the first prototype and we'll be putting that up in the next few months. Within the next 2 to 3 years we'll have to replace those.

Chairman Thoreson: You said that equipment was for some type of another project?

John Harris: It's a warning alert system.

Chairman Thoreson: Is that something you operate or is there another agency?

John Harris: That's something we operate and it's required by the FCC.

Chairman Thoreson: You said cameras here in the Bismarck studios. Are those an upgrade to current technology or is it a replacement?

John Harris: The Bismarck studio never had high definition cameras. It is changing the technology.

Chairman Thoreson: At the consumer/electronic show earlier this month; they were demonstrating ultra-high definition.

John Harris: That's fairly expensive and well down the road.

Vice Chairman Brandenburg: Last biennium we had a request for some funding. Just refresh me for what that was and then the \$700,000.00; because I know there was talk of building that at that time also.

John Harris: Last biennium we had requested some one time only funding and operating funding of \$1.3 million. The governor left the \$1.3 million in; but, there was no one time only funding out of the governor's budget request. The senate put in \$500,000.00 for one time only funding; when it came to the House, it was recommended to go down to \$1 million and no one time only funding.

Chairman Thoreson: So the original request you brought forward was about \$4.5 million.

John Harris: That was the amount of the projects. I requested half of that about \$2.2 million from the state.

Chairman Thoreson: Are these prioritized in any manner on the list you provided?

John Harris: They are not.

Chairman Thoreson: What's the number one thing you'd say needs to get done?

John Harris: Those 22 shelters.

Chairman Thoreson: Those shelters are the number one thing?

John Harris: Yes sir.

Chairman Thoreson: Did you look at the priorities as to which of these would be the most necessary?

Pam Sharp: We didn't look at the individual projects.

Chairman Thoreson: That's ongoing funding for Prairie Public?

Pam Sharp: The state has for past several bienniums contributed about \$1.3 million in ongoing support for Prairie Public. Last session, we had in our budget the \$1.3 million; and \$337,138.00 was removed. This restores them to their previous level of ongoing funding from the state.

Chairman Thoreson: This would restore that amount.

Pam Sharp: It would restore what was removed last time and get them back to their previous level of ongoing funding.

Chairman Thoreson: Number 3, this is for the 125th anniversary?

Pam Sharp: That's right. This is the 125th anniversary coordinator position. That person has been hired and started working last week. This continues the funding for the next biennium.

Chairman Thoreson: This person is in Bismarck?

Pam Sharp: They are in Bismarck and have an office at the Heritage Center.

Chairman Thoreson: The 125th will be next year?

Pam Sharp: That would be November 2014.

Chairman Thoreson: When are they looking at starting events? Is it going to be just at that time of the year or some of the nicer months?

Pam Sharp: I think they're looking at some of the summertime months and I think they're looking at doing some school events; it will probably be stretched out over several months. The governor will be appointing a committee to determine what kind of events they want to have.

Representative Kempenich: That coordinator; are they basically coordinating the committee?

Pam Sharp: The way I see it is this coordinator will be a working person. There will be an overall committee that will be appointed by the governor; and they'll determine what the activities are. This person will make sure everything happens that the committee decides to happen.

Representative Kempenich: One person is going to do that?

Pam Sharp: There's staff at the Heritage Center that I believe will be helping with her also.

Chairman Thoreson: The \$190,000.00 is just for that position. That's not the cost of the celebration?

Pam Sharp: That's right. There's funding for the actual celebration in this Historical Society's budget. This just provides for the salary dollars and operating expenses for that person.

Chairman Thoreson: Number 4 is dealing with the auditor's office; getting the CAFR out on time and having to review it.

Pam Sharp: This is \$600,000.00 and this would allow us to contract with an outside CPA firm; if the auditor's office is not able to audit the CAFR.

Chairman Thoreson: So you provided personnel to go in and do it?

Pam Sharp: There was an RFP that was done and Eide Bailey was the accounting firm that had some staff available; so we did a contract with Eide Bailey. The Office of Management and Budget paid the contract person.

Chairman Thoreson: Do you know how much that was for?

Pam Sharp: It was \$62,000.00; and we were able to do that because we had some IT savings that we had available.

Chairman Thoreson: So it was \$62,000.00 to hire Eide Bailey to do it?

Pam Sharp: That was just for four individuals to help the auditor's office.

Chairman Thoreson: It says \$600,000.00.

Pam Sharp: That's correct. This \$600,000.00 dovetails with the recommendation that we had for the auditor's office. They requested several FTE's and they wanted to bolster their IT auditor's and their financial auditor's; as well as their performance auditor's. We recommended a mineral leasing auditor and an IT auditor. We could use this \$600,000.00 to farm out the CAFR audit; they could take the FTE's and staff that they have to dedicate to this audit and they could redistribute their workload and FTE's.

Chairman Thoreson: This is not identified as one time, so this would be something you're looking at as ongoing?

Pam Sharp: It could be ongoing. The other alternative would be to add the FTE's to the auditor's office.

Vice Chairman Brandenburg: The \$600,000.00 cost, this number seems a little high. Can you give an explanation why that's going to take that much to do that audit?

Pam Sharp: It's done every fiscal year; not just biennial. The auditor's office spends more than 5,000 hours on this audit. This is really just a guesstimate; thinking maybe we could get it done for \$300,000.00 per year. We have to finish it before the end of December.

Vice Chairman Brandenburg: What kind of audit do they do?

Pam Sharp: This is the Comprehensive Annual Financial Report. We prepare the financial statements for the entire state government; all funds are audited.

Vice Chairman Brandenburg: It's a full blown audit.

Pam Sharp: Full blown for the whole state.

Representative Kempenich: Is that in your salary or operating line?

Pam Sharp: It's in our operating line because it would be a contract.

Pam Sharp continued with her explanation of the green sheet.

20:16

Chairman Thoreson: What's the source of the other funds?

Pam Sharp: That would be special funds from other agencies. It would be federal funds in the case of department of human services; it would be special funds for DOT.

Chairman Thoreson: You said you don't have a lot of details. Is that because you're not quite aware of what the level of participation is going to be?

Pam Sharp: We don't have the guidelines yet.

Chairman Thoreson: When are those supposed to be available?

Pam Sharp: We don't know.

Vice Chairman Brandenburg: So there was money and we need to provide it; because the exchange isn't set up yet.

Pam Sharp: This would not be one time; this would be ongoing. There's nothing in there now.

22:33

Vice Chairman Brandenburg: Until the exchange is set up, this money would just be set aside.

Pam Sharp: When the exchange is set up; there's a start date for this; when you have to provide health insurance for employees and it's sometime in 2014. This money would not be touched until an agency identifies the need to pay health insurance to a temporary employee.

Representative Kempenich: What are your guidelines going to be for temporary employees?

Pam Sharp: We'll have to figure out what the federal guidelines are going to be; then we'll have to determine within those parameters what our own guidelines are going to be.

Representative Kempenich: That \$1 million that's on other funds; is that higher education funds?

Pam Sharp: Higher education would come to this pool also; this is for higher education and state government.

Vice Chairman Brandenburg: There was \$1 million that was in the insurance department; was turned over the health department. Where's that \$1 million in the health department or is this tied to that?

Pam Sharp: That was the planning money that the insurance department got for the exchange. After the decision was made not to do the exchange, department of human services and the insurance departments worked with the feds; and the rest of the grant was transferred to the department of human services. They are accessing that money now; and they're going to use it for some planning for the eligibility system interfaces with the exchanges. That is not reflected in here at all.

Representative Guggisberg: You said that this \$2 million is ongoing. Wouldn't it be shifted to the actual departments after we know which part time employees will be eligible for health care?

Pam Sharp: It could be once we know what happens.

Representative Glassheim: What's the difference between the CAFR and the statewide single audit of federal assistance received by state agencies?

Pam Sharp: That's the Comprehensive Annual Financial Report; and that is the statewide comprehensive financial statements for the state. The single audit is the state auditor's office auditing all of the federal funds that come to state government.

Representative Glassheim: That's not included in the CAFR also?

Pam Sharp: They're included in the CAFR; but, it's a separate audit to audit the detail of those federal funds.

Chairman Thoreson: It is truly ongoing; it's not going to be one time?

Pam Sharp: I believe it would be ongoing.

Chairman Thoreson: It could end up with the individual agencies at some point going forward.

Pam Sharp: Yes, it could.

Vice Chairman Brandenburg: I thought the federal exchange was going to set that up and they were going to run their own exchange. How come the state has to put into the federal exchange?

Pam Sharp: This is separate from the exchange; it's just a requirement that we're going to have to provide health insurance for temporary employees.

Representative Sanford: What would be the base on this in terms of translating into FTE's? Secondly, where would the insurance come from?

Pam Sharp: If they're hired by the state it would be PERS. We worked with the university system; there's a definition of so many hours that the temporary has to be working. We looked at that and looked at what agencies are doing right now.

Vice Chairman Brandenburg: What possibly could this number be? It possibly could be higher also.

Pam Sharp: It could potentially be higher. Until we get the guidelines and until we know what our flexibility is in determining how we deal with it; we're not going to know much more.

Representative Glassheim: Do we know how many part-time people there are in the university system and in state government?

Pam Sharp: I don't know that number right now.

Chairman Thoreson: So a grad student who is a teaching assistant, are we going to have to provide them health care?

Pam Sharp: I don't know.

Representative Glassheim: Do you have to give full-time to people who work 10 or 15 hours; or is it prorated?

Pam Sharp: I don't know.

32:07

Chairman Thoreson: Why doesn't that show up on the green sheet in one of the columns?

Brady Larson, Fiscal Analyst, ND Legislative Council: Because it's the same level of funding as the prior biennium. We only show the increases in the columns.

Pam Sharp: This is for the emergency commission.

Representative Kempenich: How much was used this biennium out of the emergency commission?

Becky, ND Office of Management and Budget: We have about \$88,000.00 left.

Chairman Thoreson: So \$88,000.00 left; what was the original amount?

Becky: \$700,000.00

Chairman Thoreson: Are you expecting requests for the \$88,000.00 and then some?

Pam Sharp: I would imagine we'd maybe have one more emergency commission meeting this biennium in June.

Vice Chairman Brandenburg: Referenced attachment 1 and 2.

Pam Sharp: I have not analyzed the spreadsheet. In some areas of OMB, you will see that the market component of the matrix kicks in.

Representative Kempenich: You mean going forward?

Pam Sharp: We're about the same as the statewide average.

Ken Purdy, Compensation Manager, Human Resource Management Services, ND Office of Management and Budget: Discussed attachments 1 and 2.

Chairman Thoreson: This \$1.5 million is one time; you dealt with the tower portion previously?

John Boyle, Director, Facility Management, ND Office of Management and Budget: That's correct. It's for the legislative wing and judicial wing.

Chairman Thoreson: Is it cleaning? Are parts of the building coming lose?

John Boyle: It is mainly doing an inspection of the limestone and making sure it's properly attached. Some panels might need to be replaced, some will be reattached; all will be cleaned. To do the tower, it was a little over \$2 million.

Chairman Thoreson: Is that brick under there with stone attached to the outside?

John Boyle: That's correct. They left that there so they could show us how deteriorated some of the brick area was; then, they went in and rebricked it.

Chairman Thoreson: That's what you're expecting will happen on the legislative wing also?

John Boyle: That's correct. We'll be removing all the material that's in between the limestone.

Chairman Thoreson: Some of that stuff's been in there for 80 years?

John Boyle: That's correct.

Chairman Thoreson: How long of a period will it take to do that work?

John Boyle: I believe five months; to do both wings. This work will probably be done on the J-wing side at night and weekends.

Chairman Thoreson: That part is significantly newer than the rest of the capitol structure.

John Boyle: It's less expensive to get it done at one time. The amount of square footage is about $\frac{3}{4}$ of what the tower was.

Chairman Thoreson: So the J-wing you'll do in the night time.

John Boyle: That's right. The legislative wing, since it's not occupied we can work on during the day.

Chairman Thoreson: The same thing with the flooring?

John Boyle: That's correct. The terrazzo flooring is the flooring that's in each of the elevator lobbies in the tower; the J-wing in the main atrium on each floor is terrazzo as well.

Chairman Thoreson: How much repair is needed?

John Boyle: In the Judicial wing there's a lot. We have an issue when the concrete settled 30 years ago; there were cracks in the terrazzo. So we'll have to remove that terrazzo, replace the concrete, and re-terrazzo over that.

Chairman Thoreson: So you'll have to remove concrete also?

John Boyle: That's correct. This project was approved and then the money was used to take care of the IT situation.

Vice Chairman Brandenburg: Are you going to put in a new style floor?

John Boyle: We're going to go back with terrazzo; because that's the original material that was used in the building in the tower. In the judicial wing, if we can find a material that would be a little less expensive than terrazzo; we could look at it.

Chairman Thoreson: What's the south entrance remodel going to entail?

John Boyle: Explained the different phases of the remodeling of the south entrance of the capitol.

44:36

Chairman Thoreson: This is which space again?

John Boyle: It's under the stairs where the drive lane goes through now.

46:03

Chairman Thoreson: With the change in the smoking law, what are we doing about signage in the capitol complex?

John Boyle: We have signs out on all the doors.

Chairman Thoreson: The north and west parking lot projects; more of what we're looking at doing before?

John Boyle: That project will include the cafeteria corridor remodel.

Chairman Thoreson: Are you going to widen that corridor?

John Boyle: We tried to get that area widened; but structurally we can't make that happen.

Chairman Thoreson: So the blast of cold air won't always be there?

John Boyle: We're going to put air curtains in so there won't be that blast of cold air coming into that hallway. The northwest parking lot gets redesigned so it makes it safer and beautifies the backside of the capitol.

Chairman Thoreson: Does it remove spaces at all?

John Boyle: We will lose parking but only about 20 spots; but, we've added 280 spots with the first phase.

Chairman Thoreson: We talked a little about the lunch room.

John Boyle: That project is in this biennium. The capitol grounds planning commission just approved the final design, carpet, and tile.

Chairman Thoreson: Is there going to be a lot of physical changes?

John Boyle: Yes, depending on what the bids come in. We're going to put some booths in, creating a separate dining room. John Boyle went on to describe the changes coming to the cafeteria.

Representative Hawken: Is there another use for this area that legislator's going to be able to use?

John Boyle: That will be utilized by most of the state employees when you're not here. It will be another place if we're out of meeting rooms that somebody can go in and meet; it will hold 60 people.

Chairman Thoreson: For central services we're just increasing the special fund authority?

Pam Sharp: That's correct.

Representative Kempenich: How are our printing costs?

Pam Sharp: Are you wondering what our rates are?

Representative Kempenich: That and are they increasing or decreasing?

Pam Sharp: Agencies can go to central duplicating without getting a bid to go anywhere else; or they can do an RFP and get a bid to have the printing done elsewhere.

Representative Kempenich: What's the genesis behind the \$500,000.00?

Pam Sharp: That primarily is for surplus property.

Pam Sharp continued with her explanation of the green sheet.

Representative Sanford: Just so I understand. When you say you transferred a person is this an additional FTE to do this?

Pam Sharp: This is not an additional FTE for OMB. It is an FTE that we took from somewhere else in OMB and put them in HRMS; but, we needed the general fund dollars to fund this in HRMS.

59:08

Vice Chairman Brandenburg: Do you hear anything that at all?

Pam Sharp: No I have not.

Representative Guggisberg: Where does the NCSL dues come from?

Chairman Thoreson: It comes from our budget; it's in the legislative assembly and legislative council budget.

Representative Sanford: Is this based on usage patterns of the commission or is based on the population?

Pam Sharp: I am not sure what they base those dues on.

Representative Sanford: I am assuming it's for the expenditure of the office and staff.

Pam Sharp: Yes.

Vice Chairman Brandenburg: Next session when we come it's going to over \$1 billion?

Pam Sharp: I don't know.

Vice Chairman Brandenburg: If we have increase in evaluation and it's going to take more dollars to replace those mills.

Pam Sharp: This does fund the 75 plus the additional 60.

Representative Sanford: There are several options being looked at for property tax relief. Only one of them continues to use the buy down method. If any of the others were utilized this would still be a general fund appropriation, correct?

Pam Sharp: That's how I would see it. If you pass some completely different kind of program; then this transfer wouldn't be necessary for this particular program, but the money would be available for whatever program you do pass.

Representative Sanford: So we would not be subjected to the whims of increasing property evaluations? This may in fact be something that disappears if we do anything other than continue the current program?

Pam Sharp: That could be true. This particular transfer probably wouldn't make sense if you're doing something totally different.

1:09

Representative Glassheim: For purposes of the budget stabilization fund, how is this \$744 million treated? What does it do to HB1113 and HB1315?

Pam Sharp: This \$744,000.00 transfer, the way it is in the bill, would come out of the 2011-2013 biennium; so, the cash is sitting there now. This money would not be subject to the calculation for the budget stabilization fund.

Representative Glassheim: When it's spent it wouldn't be either.

Pam Sharp: It wouldn't be because it's not part of the 2013-2015 appropriation; it's a transfer out of the 2011-2013 ending balance.

Chairman Thoreson: Is that something that has been in there previously in the OMB budget?

Pam Sharp: This has been in OMB's appropriation bill for several years.

Chairman Thoreson: How much of a carryover are you looking at?

Pam Sharp: About \$2.2 million.

1:14

Vice Chairman Brandenburg: The money comes in for the minerals and rather than showing a negative decrease in your budget, you just separate it right away?

Pam Sharp: Right. Their share never hits the general fund.

Vice Chairman Brandenburg: The way it is now it goes to the general fund; then it's got to be taken back out of the general fund.

Pam Sharp: Right.

1:17

Vice Chairman Brandenburg: This \$744,000.00 includes the 75 and the 60?

Pam Sharp: Right.

Vice Chairman Brandenburg: Is that going to be enough for two bienniums?

Pam Sharp: It goes into the property tax relief fund and then it's added to the money that goes into the property tax fund; there's \$341 million that comes from oil money.

1:19

Vice Chairman Brandenburg: That's the thing I'm concerned about the 75 mills and 60 mills.

Pam Sharp: The cost of the 75 mill buy down for next biennium; the base is about \$342 million and then we had to add another \$54 million to maintain the cost of the 75 mill buy down for next biennium. The cost of the 60 mill buy down is \$318 million.

Vice Chairman Brandenburg: So \$318 million, \$342 million and \$54 million?

Pam Sharp: Right.

1:22

Chairman Thoreson: So this is before any funding has been approved.

Pam Sharp: Right. This is before any funding has been approved; this is just preplanning money.

Chairman Thoreson: So the dollars are they used to hire somebody to put together a budget?

Pam Sharp: They would normally hire an architect to do the preplanning.

Chairman Thoreson: Have you used it or were involved with the project?

John Boyle: Ms. Sharp sends out a letter to all the agencies saying by this date; if you have any ideas of what you would like to do. I have used it in the past for the fire suppression system. We did a study for the capitol tower to see how much money we

would need. As Ms. Sharp was saying, if the project is approved then out of that project you have to replenish that fund; that's why its revolving.

Chairman Thoreson: If that project isn't approved then those funds are just replenished by ones that eventually approved

John Boyle: Yes.

Chairman Thoreson: How much money is in there?

Pam Sharp: \$200,000.00 was originally appropriated. I'm not sure how much money is in there right now; it depends on the repayment.

Chairman Thoreson: If you have a breakdown listing of what's been funded for that.

Pam Sharp: Sure.

Chairman Thoreson: The purchase operating fund; that's just supplies?

Pam Sharp: Yes.

Chairman Thoreson: Closed the hearing.

2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Committee Roughrider Room, State Capitol

HB 1015
2/12/13
Job 18778 and 18808

Conference Committee

Committee Clerk Signature

Meredith Trachot

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; to amend and reenact section 15.1-27-25 of the North Dakota Century Code, relating to distributions of royalties; to provide an exemption; to provide for various transfers; to provide legislative intent; and to declare an emergency.

Minutes:

You may make reference to "attached testimony."

Recording job 18778

Chairman Delzer: We'll have a short discussion on 1015. Presented Attachments 1 & 2. Presented proposed amendment 13.8144.01006. Supplemental information was also distributed, see Attachments 3 & 4, 13.9416.03000 and 13.9560.05000.

6:50

Rep. Kreidt: Are state employees allowed to contribute above the percent that the state gets to the retirement plan?

Chairman Delzer: I don't believe so. It's set, the state is currently paying 10, the employees pay 2.

Rep. Kreidt: Many businesses allow higher contributions if the employees wish.

Chairman Delzer: The study proposed in the amendment could certainly look at that.

Rep. Skarphol: I would guess there is nothing to preclude an employee from setting up an individual account, as well.

Allen Knudson, Legislative Council: Through PERS, there are deferred compensation programs. Individuals can set aside pre-tax dollars for retirement, as well.

Chairman Delzer: There are a couple bills floating around on that, and some constitutional measures that would, if supported, put some money aside to handle unfunded liability on public employees' retirement in the future.

Rep. Kempenich: It took us 126 years to get to \$1.5B, and in 10 years we'll double that number. It took 70 years to get back to our population from the 1930s. We're basing a lot of these discussions on mineral wealth that has a history of cycling. It does get concerning when it gets into this type of growth.

Chairman Delzer: We will have to ask for amendments on the bills, they have to come out of sections early next week. If we could put this on the OMB budget, that would set us in motion for having all the correct adjustments for those parts of every other bill when the amendments are requested. That's why this is before us today.

Rep. Thoreson moved adoption of amendment .01006, seconded by **Rep. Skarphol**.

Rep. Glassheim: I would like some time to look at this before we vote.

Chairman Delzer: We will leave the motion on the table and break for the new revenue forecast. We'll stand in recess until this afternoon following the floor session.

Discussion resumed, recording job 18808

Chairman Delzer called the committee back to order. We have a motion on the table.

Rep. Glassheim: I have a few questions on the amendment. What is the impact on the retirement plan of not having the 1&1% put in?

Chairman Delzer: When we discussed this about a week ago, we were sent the actuarial report. In essence, it will take longer without future contributions to get up to that 70%; how much difference two years makes, I'm not sure.

Rep. Grande: Especially when returns are currently at -0.2%.

Rep. Glassheim: We'll be frozen at 60% of what we're supposed to have?

Knudson: Yes, we'll stay right at about 60% for two more years.

Rep. Glassheim: Is there any impact of that on our bond rating?

Chairman Delzer: Pam Sharp shared information that said ND is looking at being on the positive side to improve their bond rating. If there is something done to take care of the unfunded liability, the rating might go to AAA+. It said they might go from a positive to a hold even situation on how they consider ND moving ahead. For your information, there is a constitutional revision measure, HB 3003, that will be heard still, which would set up a public employees' retirement fund for unfunded liability.

Rep. Glassheim: It seems to me we ought to go ahead with the 1&1. It will make a difference in our bond rating. It is a matter of reputation, of us being a strong state and shows the soundness of our retirement plan. Am I correct that this freezes the market for two years?

Chairman Delzer: Yes, until the next session. It would not automatically be done by HRMS, it would be done by the legislature.

Rep. Glassheim: I would object to this portion of it. As we come into the session, we're at about 89% compared to market. We were at 92% of market given the governor's program, and that was based on a year ago, so we've already lost 3% to market. We'll be at 89% of market if we do what we're doing here, we're going to freeze ourselves so that in 2015 we'll be somewhere around 90% of reasonable market. I don't think this is a responsible place to be, or where we want to be.

Chairman Delzer: I would disagree with that. As far as I know, they did their 3% for the two years after this market study was done. The 3% was in there for what has been built in the governor's budget. We're at 92% of that. You can say that market study might lose compared to the other, but that is up to the next legislature. If they do this study, it would show the next legislature the options of how they would want to proceed.

07:10

Rep. Glassheim: As I understand the proposal, people will be getting for the next two years a 3&3, but we'll be losing 3&3 to inflation. So we'll be about where we are now, about 92% of market.

Chairman Delzer: We'll move up in the market study. The question is whether the market study is valid at that point in time or not. I don't know anywhere else we automatically put a COLA in. This simply says for the next two years, the Hay study will stay the same, and not automatically inflate.

Rep. Glassheim: Whatever we do here, the market in fact, everybody else who is paying salaries, will move on. But we are freezing the salaries and not allowing for any inflated costs which would raise the market.

Chairman Delzer: We're not freezing the salaries, we're freezing what we consider the market. We're giving a 3&3 for the next two years. The next legislature will look at this issue and decide how they want to proceed with it.

Rep. Glassheim: We will be behind the market rate. We are behind the market rate now by 8%. It has been our goal to move towards market. This will put us an additional 6% behind market. We will be falling further behind relative to what we need to employ people. How does the money get into the accrued leave line?

Chairman Delzer: Referenced Attachment 3.

12:40

Rep. Glassheim: I know some of you have heartburn with the benefits we have. My understanding of the Hay study is that our benefits are on par with private and public agencies of our size; and although we do pay 100% of health benefits, our deductibles and copays are higher than other places.

Rep. Grande: Could you explain, are we doing, in this proposal, 2nd quartile gets 2%, 3rd quartile get 1%?

Chairman Delzer: In this proposal what we would do is, on the market equity side, the 1st quartile would get 2% the first year. Further discussion on the motion to amend HB 1015 with 13.8144.01006?

A roll call vote was done, motion carried 17-4-1; **Rep. Glassheim** indicated when the bill was taken up a minority report would be requested.

16:35

Pam Sharp, Director, Office of Management and Budget: Presented Attachment 5.

18:40

Chairman Delzer: Do you have this by agency?

Sharp: It is by agency, by department number, in the first column. We can get you another version of this with agency names on it.

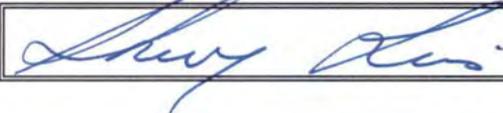
Chairman Delzer: We would like to have that. Please include the bill number as well. Questions? Thank you. The committee continued on to the next bill.

2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Government Operations Division
Medora Room, State Capitol

HB1015
February 19, 2013
Recording Job# 19149

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 various divisions under the supervision of the director of the office of management and budget; to amend and reenact section 15.1-27-25 of the North Dakota Century Code, relating to distributions of royalties; to provide an exemption; to provide for various transfers; to provide legislative intent; and to declare an emergency.

Minutes:

Chairman Thoreson: Opened the discussion on HB1015. All members were present except for Vice Chairman Brandenburg. Discussed proposed amendments.

Representative Glassheim: I would like to study construction needs of state buildings and comparative pricing of constructing on campus, off-campus and leasing.

Representative Hawken: What about the pressurized stairwells?

Pam Sharp, Director, ND Office of Management and Budget: There are a couple of issues with the pressurizing of the stairwells. One of the things we've prioritized for our base budget is pressurizing the stairwells for next biennium. That does not include an exit to go outside.

Representative Kempenich: The University has made determining construction space a priority also.

Representative Glassheim: Another proposed amendment is to remove the \$720 million that we voted through on 2176; to remove that from the budget stabilization fund. I wanted to try to remove that from the 9.5% requirement of the budget stabilization fund because the money is already spent.

Representative Kempenich: On group A, it was a change priority number seven on the Prairie Public. They were requesting about a million seven. They got for facilities.

Chairman Thoreson: This is item #1 on the green sheet?

Representative Kempenich: Yes. I think we should take it down to \$500,000.

Chairman Thoreson: So basically item 1, the one-time funding for maintenance and replacement, would be reduced by \$200,000 to a total of \$500,000.

Representative Kempenich: I'd like to take out number six. Pam, what was left?

Pam Sharp: Right now I think there's maybe \$85,000 left in that contingency fund in the current biennium.

Chairman Thoreson: So you'd increase the amount in there to use to have agencies use for costs related to the western area of the state?

Representative Kempenich: Yes. No. It depends on what we do. I thought of increasing that to like a \$1 million.

Chairman Thoreson: Are you adding \$1 million or increasing the total to \$1 million?

Representative Kempenich: We would add \$300,000 for a total of \$1 million.

Chairman Thoreson: The one that I'll bring up for discussion is the parking lot project, item \$3. There's some discussion about removal of parking spaces.

Representative Kempenich: Do you want to pull an FTE?

Pam Sharp: That is not an FTE. We gave up one FTE. This is to provide funding for an FTE that we had to move to HRMS to manage the human resource modules and work with the agencies to provide technical support.

Chairman Thoreson: So it's funding an FTE, not adding an FTE?

Pam Sharp: Yes.

Chairman Thoreson: On risk management, do we have this foreign travel insurance policy already?

Pam Sharp: We don't have it but we believe we do need to buy an insurance policy.

Chairman Thoreson: What does that cover?

Pam Sharp: It is for employees traveling overseas. Todd believes that for \$20,000 to buy an insurance policy that would be prudent. I don't know what it covers.

Chairman Thoreson handed out proposed amendment.

Representative Guggisberg: I've been thinking, what if we said "shall over a certain population".

Chairman Thoreson: I was talking with Connie Sprynczynatyk with the league of cities. The 12 largest cities already have their information where they have a link. She was going to work to try and get that where you could access it from the current budget database.

Chairman Thoreson closed the discussion.

2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Government Operations Division
Medora Room, State Capitol

HB1015
February 19, 2013
Recording Job# 19191

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 various divisions under the supervision of the director of the office of management and budget; to amend and reenact section 15.1-27-25 of the North Dakota Century Code, relating to distributions of royalties; to provide an exemption; to provide for various transfers; to provide legislative intent; and to declare an emergency

Minutes:

Chairman Thoreson opened the discussion. Let's start with the proposed funding changes.

Representative Kempenich motioned to adopt items 1-7.

Representative Hawken seconded.

Representative Glassheim: I'd like to do them one by one. Made a substitute motion to adopt item 1.

Representative Guggisberg seconded.

Voice Vote: Motion carried.

Representative Glassheim motioned to adopt item 2.

Representative Hawken seconded.

Voice Vote: Motion carried.

Vice Chairman Brandenburg motioned to adopt item 3.

Representative Kempenich seconded.

Representative Glassheim: Could we have Pam explain?

Pam Sharp, Director, ND Office Of Management and Budget: The affordable care act requires that beginning in 2014 temporary employees health insurance if they meet specific criteria. This would be a pool in OMB so that agencies when they do hire temporary employees would not have to take that money out of their current salary line for the health insurance.

Representative Glassheim: If there is not a pool, then how would it work?

Pam Sharp: I believe that agencies would still be required to meet the requirement of the affordable care act, but they would have to fund it out of their own salary line.

Chairman Thoreson: We don't know what level of temporary employee we are discussing here?

Pam Sharp: I think that criteria have been established in a broad sense. We don't know how we would have to look at their income to determine if they have to pay some of their own health insurance.

Chairman Thoreson: Are there any other state employees that are paying part of their health insurance now? Or do we fund that?

Pam Sharp: There are some agencies that do pay health insurance for temporary employees.

Chairman Thoreson: I understand. I meant other state employees that receive health insurance. We pay for that, do we not?

Pam Sharp: Yes we do.

Chairman Thoreson: This would be a change in that some state employees would have to start paying a portion of their health insurance possibly, correct?

Pam Sharp: Not FTEs. This only focuses on temporary employees.

Voice Vote: Motion carried.

Representative Kempenich motioned to adopt item 4.

Vice Chairman Brandenburg seconded.

Representative Guggisberg: This money was to be used to match federal grants. If we take this money out, are we going to lose out on some federal grants?

Representative Kempenich: It depends. I don't think there is any matching money attached, this wasn't triggering anything. This was straight. There was \$700,000 in the line item, but there weren't any federal funds.

Representative Guggisberg: Why don't they need \$200,000 worth of projects done? We don't know for sure if this will affect their federal grants.

Chairman Thoreson: Last session Prairie Public came forward and asked for some money for elevators for their building in Fargo and such. I asked their CEO if they had done any fundraising beforehand, and they hadn't. By putting this number out there, maybe they would be able to have an effort to try to raise some of that money to use for matching. There are other avenues there.

Representative Guggisberg: I don't think we have enough information on federal grants.

Chairman Thoreson: These are general fund dollars that we are using in lieu of some other program to help a business. Whether it is \$500,000 or \$700,000 it's an increase in general fund money going for that type of use.

Voice Vote: Motion carried.

Vice Chairman Brandenburg motioned to adopt items 5, 6, and 7.

Representative Glassheim: I'd like to discuss item 5. It seemed to me to make sense. Rather than add additional people to the auditor's office. Why doesn't it make sense?

Representative Kempenich: You can look at it two ways. We can go whack out five employees out of the auditor's office. Or we can do this. One of the things with OMB was the concern of getting it done.

Representative Kempenich seconded.

Voice Vote: Motion carried.

Chairman Thoreson: Now we have the other proposed changes. These are amendments that were distributed to the committee.

Representative Glassheim motioned to move #4.

Representative Guggisberg seconded.

Chairman Thoreson: This is number 01007.

Voice Vote: Motion carried.

Chairman Thoreson: Let's strike #1 from the list of proposed changes if we're not going to move it.

Representative Hawken motioned to move #2.

Representative Glassheim seconded.

Voice Vote: Motion carried.

Representative Kempenich motioned to move #5.

Vice Chairman Brandenburg: Seconded the motion.

Voice Vote: Motion carried.

Representative Glassheim motioned to move #3.

Representative Guggisberg seconded.

Representative Glassheim: It seems to me that the purpose of the budget stabilization fund is to prepare us for shortfalls in projections for future biennium. But this money is already being spent. To include it as something that we're spending, to me is a false use of the purpose of the fund. I want to exempt this money from the requirements.

Representative Hawken: Since that was how it was set up originally, so it wouldn't have the percentage taken out correct? So all we would be doing with this amendment is making it like it was originally meant to be?

Pam Sharp: That's correct.

Representative Kempenich: It's about \$68 million. The problem is our general fund spending is going to be somewhere north of \$5 billion this go-round. Whenever we start dealing with mineral wealth, it gets to be a very interesting operation in the long-term. We have the legacy fund. How do you keep some of this moving forward? You have to be careful when dealing with mineral wealth. We shouldn't be spending oil money until it's in the bank. Half of our budget right now we shouldn't even be considering.

Representative Glassheim: I'm a fiscal conservative too. We have categories called one time spending, which means we do not have to fund them the next year. We need to provide for stuff going forward. That is precisely why this \$720 million, if we don't have mineral wealth in the next two years, we don't spend that \$720 million again. Unless it's there, we will not spend it. This \$68 million has nothing to do with on-going expenses. The money is there.

Representative Kempenich: It is semantics in a lot of ways. It was something that was appropriated last session.

Representative Hawken: I believe that except for bonds and pension funds, nothing has to be funded two years from now. I dislike using the word sustainable. This takes the extra money and allows us not to overspend. I think it's a really smart thing to do.

Representative Brandenburg: We have a lot of commitments in the future and we need to have some put away too.

Representative Glassheim: If we don't put \$68 million in this fund, it doesn't mean we have to spend it. We might spend some of it; we can carry it over.

Voice Vote: Motion failed.

Vice Chairman Brandenburg moved a Do Pass as Amended.

Representative Sanford seconded.

Roll Call Vote was taken. 5 Yeas 2 Nays 0 Absent

Chairman Thoreson carried the bill.

Chairman Thoreson adjourned the meeting.

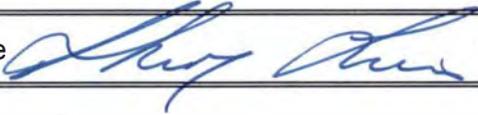
2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Committee Roughrider Room, State Capitol

HB 1015
2/25/13
Recording Job# 19436

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 various divisions under the supervision of the director of the office of management and budget; to amend and reenact section 15.1-27-25 of the North Dakota Century Code, relating to distributions of royalties; to provide an exemption; to provide for various transfers; to provide legislative intent; and to declare an emergency.

Minutes:

You may make reference to "attached testimony."

Amendment .01006 already on the bill.

Rep. Kempenich: moved to further amend with .01008, seconded by Rep. Thoreson, and explained the amendment.

04:23

Chairman Delzer: For the state based website?

Rep Kempenich: Yes.

Chairman Delzer: Wasn't there money in there for that?

Rep. Thoreson: If you look on page 2 of the amendments there was a bill which I had sponsored dealing with local budget information on the state transparency database website; that bill said that subdivisions in OMB shall provide this information. This would be permissive; but it does not mandate that any political subdivision provide the information. It says that they may submit the annual budget adopted if they chose to do so. The thought was that if any did decide to do that there may be some additional cost to OMB for placing that information on the website. There was also an amount of \$100,000.00 added to provide that service.

Chairman Delzer: This is for political subdivisions to put them on our website?

Rep. Thoreson: That's correct. But only their budget information, not their expenditures as the website currently has for state information. This would just have them submit a copy of their budget to be placed on there.

Rep. Skarphol: Is there a definition of political subdivisions? Does that include everyone?

Rep. Thoreson: I believe that is correct. I'm not certain what current code lists for those entities.

Chairman Delzer: But the language still says 'may' submit?

Rep. Thoreson: Right.

Chairman Delzer: The only ones who would actually do it are the ones who want to have it on the state?

Rep. Thoreson: That's correct. It would not mandate that any of them do that; so you could have everyone or you could have none.

Rep. Skarphol: Let's say for example the city of Tioga. You would envision just the dollar amount of the city's budget?

Rep. Thoreson: What the original bill that I had offered that said " they shall do this" would be that whatever budget they had adopted whether it's a spreadsheet with the information or a word document that that would be placed on the website where you could click on a link and go to the city of Tioga annual budget and they'd have that information shown.

Rep. Kempenich: Continued with his explanation of the amendment.

Chairman Delzer: It just increased the \$700,000.00 normally there to \$1 million?

Rep Kempenich: Yes.

Chairman Delzer: It might not be a bad idea to leave it there for the first half and it can be an issue in the conference committee.

Rep. Kempenich: The requests were more than that but you don't what could be needed.

Rep Kempenich: Continued with his explanation.

Chairman Delzer: They asked for \$700,000.00?

Rep Kempenich: They asked for \$700,000.00 and the governor added back in \$337,000.00; so it was a \$1 million increase total from last biennium. So we took \$200,000.00 out of the \$700,000.00.

Rep. Grande: On that parking lot area, the initial request was \$11 million, we've taken it down to nothing. Are you thinking this is going to be discussion for later so we can get that loading dock area fixed?

Rep. Kempenich: It's not just the loading dock area; we've seen some of the plans they have and basically it's moving back 100 feet back. It would take out about nine parking spots across the west side of the capital; and it would remove the parking on the north side. It would be a substantial change on what we're seeing today. It's not just dealing with the loading dock.

Rep. Grande: Where does this come in on the master plan? Has that changed since 2011?

Rep. Kempenich: It's the parking lot remodel's #2 priority on their list of things to do.

Rep. Nelson: Is that general fund money?

Chairman Delzer: General fund.

Rep. Kempenich resumed explanation of amendment

Chairman Delzer: I have an amendment, passed out and explained .01009.

Rep. Kempenich: This would set out \$30 million?

Chairman Delzer: No, \$341 million. At the end we might end up adjusting HB1451 from last year, which is our silos of where the money goes. If in the end, if both bodies want to go to the \$714 million of property tax relief; that's what we should raise up to so we put the money aside during the interim. So the money is there to cover that and make it sustainable in the next biennium.

Rep. Kempenich: We had lengthy discussion, because the way we've proposed this would add about \$68 million to the budget stabilization fund.

Chairman Delzer: And we won't know where that will be until we get close to the end when we're working with everything.

Rep. Nelson: On #9 to remove the \$2 million for temp employees, that's the 30 hour employees that we're talking about and we're saying in this amendment that we're not going to provide any insurance; and they would have to go on the exchange?

Rep. Kempenich: We've already done that in another bill. This doesn't take the policy out but it takes the money out.

Chairman Delzer: HB1059 is the bill and we've dealt with that.

Voice vote on .01008 adopted

Rep. Thoreson moved and **Rep. Brandenburg** seconded amendment .01009.

Rep. Glassheim: Where does the remaining \$400 million sit? What does it do to it?

Chairman Delzer: It moves it from this biennium to next biennium and into the general fund. The governor was taking it out of general fund this time and putting it into the property tax sustainability fund.

Voice vote on 0.01009 adopted.

Rep. Kempenich went through the green sheet.

Chairman Delzer: Why are we getting into doing the building, transmitters and network at all?

Rep. Kempenich: We didn't have the votes.

Rep. Bellew: How much money are we giving to Prairie Public? What's the total amount that the state tax payers are paying Prairie Public?

Rep. Kempenich: What they requested was \$2.27 million.

Rep. Bellew: I'm not asking that. How much are we giving them?

Chairman Delzer: The way the bill stands before us it would be \$1,337,138.00 for operating and \$500,000.00 for building maintenance for a total of \$1.8 million.

Rep. Pollert: Didn't we have a reduction last biennium?

Rep. Kempenich: That's the \$337,138.00 we took out last session.

Chairman Delzer: Last time they had buildings in there that wasn't allowed.

Rep. Kempenich: Resumed green sheet on number 3.

Chairman Delzer: Did we have money in another bill for that as well?

Rep. Skarphol: We did in the state historical society for \$150,000.00; we reduced to \$100,000.00. That was the money for the event. This money is to pay for the employee to organize that event.

Rep. Kempenich: There is one employee, plus a little more to it.

Chairman Delzer: You left this at that level?

Rep. Kempenich: We left level.

Chairman Delzer: I'm a little surprised we need that much money for the employee to plan it.

Rep. Grande: How does this compare to what we have in the historical budget?

Chairman Delzer: That was the \$100,000.00.

Rep. Grande: Do we have a list where all this money is to do this?

Chairman Delzer: These are the only two bills that have money in them.

Lori Laschkewitsch, Fiscal Analyst, ND Office of Management and Budget: She is agreeing.

Rep. Grande: This money is going to go to that person?

Chairman Delzer: I'm sure that won't be the total money. I'm guessing they'll try to raise private funds as well.

Rep. Skarphol: I believe there is money being used this biennium for the preplanning of this event as well.

Chairman Delzer: The money this time is all for the person to plan it is it not?

Lori Laschkewitsch: That's correct.and for the operating costs for them to be working on it.

Rep. Thoreson: Resumed green sheet presentation on number 6.

Rep. Kempenich picked up the explanation on number 7.

Chairman Delzer: Judicial is considerably newer than the Capitol building. What's going on with the judicial?

Rep. Thoreson: We did ask that, but there were several issues identified. It ties into number 2 as well.

Rep. Kempenich: The floor is cracking, there is some cleaning. We left in the remodel of the south entrance.

Chairman Delzer and **Rep. Kempenich** discussion of entrance.

Rep. Skarphol: 26:48 Can you give us a little better description?

Chairman Delzer: Did they have a design, or just putting walls at each end of the tunnel?

Rep. Brandenburg: They will put up some glass, so they don't have the wind blowing through there.

Rep. Skarphol: We've done a lot of things around here to improve the situation. I'd like to know what the provisions are with regard to smoking in that area; because I know legislators used to go out and stand in that area and have a cigarette. It's still a legal habit and it is sheltered in the event there's rain. Are we prohibiting that now in that area of the facility?

Chairman Delzer: The only place you can smoke now is out by the legislative wing.

Lori Laschkewitsch: That's correct. It has to be 20 feet from an entrance.

Chairman Delzer: The only place your allowing it is by the legislative wing.

Lori Laschkewitsch: That's correct.

Rep. Monson: After hearing we're going to spend \$1 million for glass so we can see the lawn mowers? Is that what it is? Can you explain this some more; because this is getting a little bizarre.

Chairman Delzer: Currently they park a couple of capitol security vehicles under there; those geo cars. I would imagine that's what they're talking about parking.

John Boyle, Director of Facility Management, ND Office of Management and Budget: In this current biennium we have funding for phase 1 of the south entrance to take out those drive lanes and beautify the south side from the building up to the mall road. In phase 1 we will enclose that entrance so that it directs people from visitor's parking lot into the east side of that south entrance. This project is phase 2, which would finish off the inside of the building.

Chairman Delzer: Do you have a design plan?

John Boyle: No. There was a design proposed by the architect on the capitol grounds planning commission. All of these projects that you have been discussing are prioritized by the capitol grounds planning commission. They wanted to do something out on the south end that would get rid of those bollards that are on either end of the drive lane, get rid of the drive lane and just beautify it.

Chairman Delzer: That's already in the budget for now?

John Boyle: That is.

Chairman Delzer: Is this the 2011-2013 budget?

John Boyle: The 2011-2013 budget and that will be done. The second one though is we have to level out that floor, bring in heating and cooling, repair the monumental steps; and half of it is just taking care of the monumental steps. Six biennium's ago the capitol grounds planning commission put together this plan to beautify the capitol grounds for it's

125th; the buildings actual 100th anniversary is in 25 years so this just another phase of the 15 phase project.

Chairman Delzer: So if you did that there would be nothing inside except aesthetic things to make it more pleasing. You wouldn't be parking vehicles there.

John Boyle: Exactly. We'd probably put an information booth in, maybe move our tour guides down there so that when people come in we can assist them a lot sooner.

Rep. Skarphol: Will this \$1 million complete that aspect of the beautification? You would envision this \$1 million to have that area in the driving lane done?

John Boyle: Correct, it is only a two phase project.

Chairman Delzer: Would there be doors on both sides or just on the east side?

John Boyle: Doors on both sides.

Rep. Kempenich: resumed green sheet explanation.

Chairman Delzer: What does that cover?

Rep. Thoreson: It can cover repatriation of a deceased body. We did ask for that information, but I don't have that list with me.

Chairman Delzer: Who's that through? You would buy it from a company?

Rep. Thoreson: You would buy it from an insurance provider.

Chairman Delzer: Wouldn't risk management cover those costs right now?

Rep. Thoreson: It allows risk management to purchase this policy.

Rep. Skarphol: Going back to central services one for \$500,000.00 in special funds. What does that mean?

Lori Laschkewitsch: It's for a surplus property, to get all of that sold and moved out.

Chairman Delzer: The appropriation authority is to cover that higher amount.

Lori Laschkewitsch: That's correct. It's all special funds.

Rep. Kempenich: continued through green sheet

Chairman Delzer: Did you go through those and see what kinds of values we are getting out of them? And on the council of state governments, does that cover everything or do we have a different fund we pay for the Midwest?

Rep. Kempenich: This is just the council.

Rep. Grande: I would think this is only for the executive branch?

Rep. Thoreson: With council of state governments, since it covers all branches of government, it is housed in the OMB bill although we are members as legislators. It covers the executive and judicial branches.

Chairman Delzer: I think this covers the Midwest dues as well. NCSL is in legislative assembly.

Rep. Skarphol: Why is the education commission of the states here, rather than in DPI?

Chairman Delzer: Does the executive branch send people to the education commission of the states the same as the legislative branch does?

Lori Laschkewitsch: Yes they do.

Chairman Delzer: That's why it is housed here. It doesn't make sense for DPI to cover legislative costs.

Rep. Skarphol: Are there any other associations being paid for in any other budgets?

Lori Laschkewitsch: Various budgets house these.

Chairman Delzer: further discussion.

Rep. Thoreson: Prior to this biennium the governor was also a member of the Midwest Governor's Association and we did drop our membership in that organization.

Chairman Delzer: Further discussion? We're allowing them to carry forward on the fiscal management section, what is that? Is that the building fund? How much money are you carrying forward there?

Lori Laschkewitsch: \$2 million. That is the money that is used for any of the changes, problems, support, maintenance of the statewide accounting system.

Chairman Delzer: You must have that as part of your operating expenses then also, do you not?

Lori Laschkewitsch: We just use the carryover for that.

Chairman Delzer: How much did you use last biennium? How much did you carry forward?

Lori Laschkewitsch: I'd have to look into that for you.

Chairman Delzer: Is the internship program the same level as it was?

Lori Laschkewitsch: Yes it is.

Chairman Delzer: What is that level?

Lori Laschkewitsch: It's \$200,000.00.

Chairman Delzer: The continuing appropriations, the one I wanted to talk about is the capitol building fund. Do we have any expenditures out of that fund?

John Boyle: Not in the new one, it is all general fund money. The capitol grounds planning commission didn't ask to spend any of that money for the 2013-2015 biennium.

Chairman Delzer: They have the ability to spend \$100,000.00, should that number be changed?

John Boyle: If you would like to raise it, yes. That's a recurring appropriation that they spend any way they want.

Chairman Delzer: What do they normally spend that \$100,000.00 for?

John Boyle: Anything on the grounds that needs repairing. This current biennium the \$100,000.00 was spent on the governor's residence remodeling a bathroom, redoing two bedrooms, putting together a master plan for the residence. We'll probably use it at the governor's residence again this year since that other bill failed.

Chairman Delzer: Anything further? We have the amended bill before us.

Rep. Skarphol: On pages 4-5, the reference to the federal mineral royalties distribution fund; could you help us understand what that translates into?

Rep. Kempenich: Section 10, the amendment provides some cleanup language regarding distribution of mineral leasing fees to counties. The state shares mineral leasing fees equally with counties. Currently when the state receives mineral leasing fees the entire amount is recorded as general fund revenue and a distribution is made quarterly to counties. When distributions are made the amount comes directly out of the general fund; which makes it look like a negative revenue to the general fund.

Rep. Skarphol: This only affects federal lease dollars, not royalties? The reason I ask is I wonder if this will affect those counties that are receiving federal royalties from their minerals that the federal government has flow back to the counties. The interruption of that and the requirement that they apply for them can affect their cash flow situation.

Rep. Kempenich: Quoted from subsection 7. I'm assuming it wouldn't change. I think it will go into a special fund when they receive it instead of going directly into the general fund.

Chairman Delzer: Instead of general fund and then having a general fund expenditure. They'll drop this half into this fund and the expenditure will come out of there.

Rep. Kempenich: Then it will flow through as normal.

Rep. Thoreson: The tax department handles money in a similar way with individuals and corporate tax refunds for the counties.

Rep. Glassheim: I think it's cleanup for what's in subsection 5. I think it's the same as it's always been except there was language before that was 10, 20, 30, 40 and now it's 50.

Rep. Streyle moved and **Rep. Thoreson** seconded increase from \$100,000 to \$250,000 in capitol fund (discussed earlier with Boyle).

Rep. Kempenich: I probably won't support it either; but, this is becoming an issue and we've seen this with the adjutant general also where you start some of these phased projects. There's money carrying over and it'd be nice to keep ahead of these projects because they keep carrying more and more money forward.

Rep. Skarphol: When was the \$100,000 figure put in place and what was it before that?

John Boyle: It was \$50,000, then it was raised to \$100,000 3-4 bienniums ago.

Chairman Delzer: Further discussion on motion to amend?

Voice vote failed.

Roll call vote was made to further amend to go from \$100,000.00 to \$250,000.00 on the capitol buildings committee ability for a contingency fund.

Motion failed. 9 Yeas 13 Nays 0 Absent

Rep. Streyle: Made a motion to remove line 1 of the green sheet by \$300,000.00. **Rep. Skarphol** seconded the motion.

Rep. Bellew : Made a motion to remove the total amount from line 1 of the green sheet and **Rep. Streyle** seconded the motion.

Voice vote was undecided.

Roll call vote 11 Yeas 11 Nays 0 Absent Motion failed

Chairman Delzer: We have the motion before us for the \$300,000.00 reduction.

Voice vote was undecided.

Roll call vote 12 Yeas 10 Nays 0 Absent Motion carried.

Rep. Kempenich moved a "Do Pass as Amended".

Rep. Glasheim: I would like a minority report on the section of employee.

Allen Knudson, Legislative Council: If they would like to file a minority report, they have to vote "no" on the majority report which would be the "Do Pass as Amended".

Chairman Delzer: The minority report the only difference is you want that part out? So they would have had to vote against that part also?

Allen Knudson: They would need to vote against the majority report which would be this motion as a "Do Pass as Amended"; which is a roll call. They can then select.

Rep. Thoreson: Just so I'm clear, if you vote "no" on the "Do Pass as Amended" motion, are you then added on the minority report?

Chairman Delzer: I think they have to come around and get signatures; but, in the end it's going to say the final vote. Is that correct?

Allen Knudson: At least four people have to vote "no" in order to have a minority report; and then at least four people need to be on the minority report.

Rep. Thoreson: If someone would chose to vote "no" on the "Do Pass as Amended", but for a reason other than for that; they would not be automatically listed on the minority report for that issue.

Chairman Delzer: They might not be listed on the minority report; but I guess it would be assumed on the floor that they would be supportive of the minority report.

Rep. Glasheim: My understanding is you have to sign the minority report; so, it would be clear if you don't sign the minority report that you don't agree with that minority. Then you're not on it.

Rep. Brandenburg: Seconded the motion.

Roll call vote of "Do Pass as Amended" 17 Yeas 5 Nays 0 Absent

Motion carried.

Rep. Kempenich: Carried the bill.

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PROPOSED AMENDMENTS TO HOUSE BILL NO. 1015

Page 1, line 2, after "budget" insert "; to create and enact a new subsection to section 54-44.1-18 of the North Dakota Century Code, relating to political subdivisions submitting budget information to the state budget database website"

Page 1, line 4, after "intent" insert "; to provide for legislative management studies"

Page 1, line 5, replace "declare an emergency" with "provide an effective date"

Page 1, remove lines 15 through 24

Page 2, replace lines 1 through 4 with:

"Salaries and wages	\$18,477,763	\$1,241,539	\$19,719,302
Operating expenses	13,755,254	471,534	14,226,788
Emergency commission contingency fund	700,000	300,000	1,000,000
Capital assets	5,190,143	605,922	5,796,065
Grants	430,000	0	430,000
Prairie public broadcasting	1,000,000	537,138	1,537,138
State student internship program	200,000	0	200,000
Accrued leave payments	<u>0</u>	<u>570,412</u>	<u>570,412</u>
Total all funds	\$39,753,160	\$3,726,545	\$43,479,705
Less estimated income	<u>10,514,461</u>	<u>(1,844,863)</u>	<u>8,669,598</u>
Total general fund	\$29,238,699	\$5,571,408	\$34,810,107
Full-time equivalent positions	131.50	(1.00)	130.50"

Page 2, replace lines 17 through 19 with:

"Prairie public broadcasting	0	200,000"
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Page 2, replace lines 21 through 23 with:

"Total general fund	\$478,354,000	\$4,090,000"
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Page 2, line 29, remove "- 2011-13 BIENNIUM"

Page 2, line 31, replace "\$744,767,676" with "\$373,210,000"

Page 3, line 1, remove "for the period beginning"

Page 3, line 2, replace "with the effective date of this Act" with "during the biennium beginning July 1, 2013,"

Page 3, line 2, replace "2013" with "2015"

Page 3, remove lines 18 through 25

Page 3, line 28, replace "9" with "8"

Page 3, line 29, after the period insert "However, agencies may not transfer appropriation authority from the accrued leave payments line item under authority granted in this section."

Page 4, replace lines 1 through 22 with:

"SECTION 8. STATE EMPLOYEE COMPENSATION ADJUSTMENTS - LEGISLATIVE INTENT - GUIDELINES. It is the intent of the sixty-third legislative assembly that 2013-15 biennium compensation adjustments for classified state employees are to be in a range of 2 to 4 percent for each year of the biennium based on documented performance. Increases for classified state employees are not to be the same percentage increase for each employee. The performance increases are to be given beginning with the month of July 2013, to be paid in August 2013, and beginning with the month of July 2014, to be paid in August 2014. An additional compensation adjustment of up to two percent for the first year of the biennium may be provided for a classified state employee whose salary is in the first quartile of the employee's assigned salary range to address market equity. The market equity increases are to be given beginning with the month of July 2013, to be paid in August 2013.

It is the intent of the sixty-third legislative assembly that the goal of the classified state employee compensation program be a compensation ratio of 95 percent of the market policy point used by the office of management and budget for establishing the grade and salary range structure for fiscal year 2013. The office of management and budget may not adjust the market policy point based on an estimated inflationary factor during the 2013-15 biennium. The office of management and budget shall develop guidelines for use by state agencies for providing compensation adjustments for regular classified employees in accordance with provisions of this section and section 54-44.3-01.2.

Compensation adjustments for regular nonclassified state employees are to be in a range of 2 to 4 percent for each year of the biennium based on market and documented performance and are not to be the same percentage increase for each employee. The market and performance increases are to be given beginning with the month of July 2013, to be paid in August 2013, and beginning with the month of July 2014, to be paid in August 2014.

It is the intent of the legislative assembly that retirement contribution percentages provided by the state and the employee to the public employees retirement system not be changed during the 2013-15 biennium from the percentages in effect at the end of the 2011-13 biennium.

Probationary employees are not entitled to the market and performance increases. However, probationary employees may be given all or a portion of the increases upon completion of probation, at the discretion of the appointing authority. Employees whose overall documented performance level does not meet standards are not eligible for any salary increase.

SECTION 9. ACCRUED LEAVE PAYMENTS LINE ITEM - LINE ITEM TRANSFERS - EMERGENCY COMMISSION APPROVAL. The accrued leave payments line item included in agency appropriation bills, as approved by the sixty-third legislative assembly, includes funding for paying accrued annual leave and sick leave for eligible employees resigning, retiring, or otherwise discontinuing employment with the agency. The emergency commission may approve agency requests for line item transfers from the accrued leave payments line item to the

salaries and wages line item or other line item that includes salaries and wages funding subject to the agency providing documentation justifying the need for the funding transfer for the biennium beginning July 1, 2013, and ending June 30, 2015."

Page 6, replace lines 1 and 2 with:

"SECTION 11. A new subsection to section 54-44.1-18 of the North Dakota Century Code is created and enacted as follows:

The governing body of each political subdivision may submit the annual budget adopted by the governing body to the director of the budget for inclusion in the state budget database website. The director of the budget shall include in the budget database website any information submitted by any participating governing body of a political subdivision. The official who submits the annual budget to the director of the budget may not submit any information that is confidential under state or federal law. In lieu of submitting the annual budget adopted by the governing body to the director, any participating governing body may provide to the director a publicly accessible internet link on which the annual budget adopted by the participating governing body is available.

SECTION 12. LEGISLATIVE MANAGEMENT STUDY - STATE AGENCY FACILITY NEEDS. During the 2013-14 interim, the legislative management shall study the facility needs of state agencies located in the Bismarck area, including an evaluation of current and projected facility needs of state agencies, facilities on the capitol grounds currently being used by state agencies, and facilities owned or leased by state agencies that are not located on the capitol grounds. As part of the study, the legislative management shall determine if additional facilities are needed for the operations of state agencies. If it is determined that additional space is needed, the legislative management shall review the most economical options for increasing the amount of facilities space available, including options for renovating or expanding existing buildings on the capitol grounds, options for constructing new buildings on the capitol grounds, and options for building or leasing facilities that are not located on the capitol grounds. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

SECTION 13. LEGISLATIVE MANAGEMENT STUDY - SALARIES AND WAGES APPROPRIATIONS - CLASSIFICATION SYSTEM. The legislative management shall consider studying, during the 2013-14 interim, the process of appropriating funds for salaries and wages and the state's classification system. The study, if conducted, must consider the feasibility and desirability of appropriating a lump sum amount to each agency for salaries and wages, without identifying specific purposes for the funding and allowing the agency head the flexibility to use the funding as necessary to accomplish the duties and responsibilities of the agency. The study must also include the effect of this change on the state's classification and benefits system and on the process of reporting by the agency on its use of the funds to the legislative assembly. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

SECTION 14. LEGISLATIVE MANAGEMENT STUDY - STATE EMPLOYEE HEALTH INSURANCE PREMIUMS. The legislative management shall consider studying, during the 2013-14 interim, the feasibility and desirability of establishing a

maximum state contribution to the cost of state employee health insurance premiums. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

SECTION 15. EFFECTIVE DATE. Section 11 of this Act becomes effective on January 1, 2014."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1015 - Office of Management and Budget - House Action

	Executive Budget	House Changes	House Version
Salaries and wages	\$20,904,344	(\$1,185,042)	\$19,719,302
Operating expenses	14,696,788	(470,000)	14,226,788
Capital assets	9,796,065	(4,000,000)	5,796,065
Grants	430,000		430,000
Emergency Commission contingency fund	700,000	300,000	1,000,000
Prairie Public Broadcasting	2,037,138	(500,000)	1,537,138
State student internship program	200,000		200,000
Health insurance pool - temp employees	2,000,000	(2,000,000)	
Accrued leave payments		570,412	570,412
Transfer to property tax fund		373,210,000	373,210,000
	<u>\$50,764,335</u>	<u>\$365,925,370</u>	<u>\$416,689,705</u>
Total all funds			
Less estimated income	<u>9,589,395</u>	<u>(919,797)</u>	<u>8,669,598</u>
	<u>\$41,174,940</u>	<u>\$366,845,167</u>	<u>\$408,020,107</u>
General fund			
	131.50	(1.00)	130.50
FTE			

Department No. 110 - Office of Management and Budget - 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	Removes Vacant FTE Position ⁴	Adjusts Funding for Central Services Operations ⁵	Adds Funding for State Database Website ⁶
Salaries and wages	\$34,729	(\$654,359)	(\$570,412)	(\$150,000)	\$155,000	
Operating expenses					30,000	100,000
Capital assets						
Grants						
Emergency Commission contingency fund						
Prairie Public Broadcasting						
State student internship program						
Health insurance pool - temp employees						
Accrued leave payments			570,412			
Transfer to property tax fund						
	<u>\$34,729</u>	<u>(\$654,359)</u>	<u>\$0</u>	<u>(\$150,000)</u>	<u>\$185,000</u>	<u>\$100,000</u>
Total all funds						
Less estimated income	<u>5,904</u>	<u>(110,701)</u>	<u>0</u>	<u>0</u>	<u>185,000</u>	<u>0</u>
	<u>\$28,825</u>	<u>(\$543,658)</u>	<u>\$0</u>	<u>(\$150,000)</u>	<u>\$0</u>	<u>\$100,000</u>
General fund						
	0.00	0.00	0.00	(1.00)	0.00	0.00
FTE						

	Removes Funding for Contracting With Auditors ⁷	Increases State Contingencies Funding ⁸	Removes Health Insurance Pool for Temporary Employees ⁹	Reduces One-Time Funding for Prairie Public Broadcasting ¹⁰	Removes Funding for Parking Lot Project ¹¹	Adjusts General Fund Transfer to Property Tax Relief Sustainability Fund ¹²
Salaries and wages						
Operating expenses	(600,000)					
Capital assets					(4,000,000)	
Grants						
Emergency Commission contingency fund		300,000				
Prairie Public Broadcasting				(500,000)		
State student internship program						
Health insurance pool - temp employees			(2,000,000)			
Accrued leave payments						
Transfer to property tax fund						373,210,000
Total all funds	(\$600,000)	\$300,000	(\$2,000,000)	(\$500,000)	(\$4,000,000)	\$373,210,000
Less estimated income	0	0	(1,000,000)	0	0	0
General fund	(\$600,000)	\$300,000	(\$1,000,000)	(\$500,000)	(\$4,000,000)	\$373,210,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Total House Changes
Salaries and wages	(\$1,185,042)
Operating expenses	(470,000)
Capital assets	(4,000,000)
Grants	
Emergency Commission contingency fund	300,000
Prairie Public Broadcasting	(500,000)
State student internship program	
Health insurance pool - temp employees	(2,000,000)
Accrued leave payments	570,412
Transfer to property tax fund	373,210,000
Total all funds	\$365,925,370
Less estimated income	(919,797)
General fund	\$366,845,167
FTE	(1.00)

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

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 2 to 4 percent per 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.

³ A portion of salaries and wages funding from the general fund (\$478,233) and from other funds (\$92,179) 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.

⁴ One vacant FTE position in the Facilities Management Division is removed.

⁵ Additional special funds authority is added for salaries (\$155,000) and operating expenses (\$30,000) for the Central Services Division.

⁶ Funding is added for costs associated with the implementation of a political subdivision-reporting component for the state budget database website.

⁷ Funding included in the executive budget recommendation for the Office of Management and Budget to contract with an external audit firm for audits is removed.

⁸ Funding for the Emergency Commission state contingencies fund is increased by \$300,000, from \$700,000 to \$1,000,000.

⁹ Funding included in the executive budget for a health insurance pool for temporary employees under the federal Affordable Care Act is removed.

¹⁰ One-time funding for Prairie Public Broadcasting upgrades is reduced by \$500,000, from \$700,000 to \$200,000.

¹¹ Funding included in the executive budget for Capitol grounds parking lot projects is removed.

¹² The transfer from the general fund to the property tax relief sustainability fund is reduced from \$744.8 million to \$373.2 million and the timing of the transfer is changed from the 2011-13 biennium to the 2013-15 biennium.

This amendment also provides for the following:

- Creates a new subsection to Section 54-44.1-18 relating to political subdivisions submitting budget information to the state database website. The new subsection becomes effective on January 1, 2014.
- Adds a study of the facility needs of state agencies located in the Bismarck area.
- Revises the guidelines for state employee compensation increases during the 2013-15 biennium to provide for 2 to 4 percent annual performance increases and additional market increases of up to 2 percent during the first year of the biennium.
- Adds guidelines regarding the use of funding from state agency accrued leave payments line items.
- Adds a study of the process of appropriating funds for salaries and wages for the state employee classification system.
- Adds a study of state contributions for state employee health insurance premiums.

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PROPOSED AMENDMENTS TO HOUSE BILL NO. 1015

Page 1, line 2, after "budget" insert "; to create and enact a new subsection to section 54-44.1-18 of the North Dakota Century Code, relating to political subdivisions submitting budget information to the state budget database website"

Page 1, line 4, after "intent" insert "; to provide for legislative management studies"

Page 1, line 5, replace "declare an emergency" with "provide an effective date"

Page 1, remove lines 15 through 24

Page 2, replace lines 1 through 4 with:

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Operating expenses	13,755,254	471,534	14,226,788
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Capital assets	5,190,143	605,922	5,796,065
Grants	430,000	0	430,000
Prairie public broadcasting	1,000,000	537,138	1,537,138
State student internship program	200,000	0	200,000
Accrued leave payments	<u>0</u>	<u>570,412</u>	<u>570,412</u>
Total all funds	\$39,753,160	\$4,380,904	\$44,134,064
Less estimated income	<u>10,514,461</u>	<u>(1,734,162)</u>	<u>8,780,299</u>
Total general fund	\$29,238,699	\$6,115,066	\$35,353,765
Full-time equivalent positions	131.50	(1.00)	130.50"

Page 2, replace lines 17 through 19 with:

"Prairie public broadcasting	0	200,000"
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Page 2, replace lines 21 through 23 with:

"Total general fund	\$478,354,000	\$4,090,000"
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Page 2, line 29, remove "- 2011-13 BIENNIUM"

Page 2, line 31, replace "\$744,767,676" with "\$373,210,000"

Page 3, line 1, remove "for the period beginning"

Page 3, line 2, replace "with the effective date of this Act" with "during the biennium beginning July 1, 2013,"

Page 3, line 2, replace "2013" with "2015"

Page 3, remove lines 18 through 25

Page 3, line 28, replace "9" with "8"

Page 3, line 29, after the period insert "However, agencies may not transfer appropriation authority from the accrued leave payments line item under authority granted in this section."

Page 4, after line 22 insert:

"SECTION 9. ACCRUED LEAVE PAYMENTS LINE ITEM - LINE ITEM TRANSFERS - EMERGENCY COMMISSION APPROVAL. The accrued leave payments line item included in agency appropriation bills, as approved by the sixty-third legislative assembly, includes funding for paying accrued annual leave and sick leave for eligible employees resigning, retiring, or otherwise discontinuing employment with the agency. The emergency commission may approve agency requests for line item transfers from the accrued leave payments line item to the salaries and wages line item or other line item that includes salaries and wages funding subject to the agency providing documentation justifying the need for the funding transfer for the biennium beginning July 1, 2013, and ending June 30, 2015."

Page 6, replace lines 1 and 2 with:

"SECTION 11. A new subsection to section 54-44.1-18 of the North Dakota Century Code is created and enacted as follows:

The governing body of each political subdivision may submit the annual budget adopted by the governing body to the director of the budget for inclusion in the state budget database website. The director of the budget shall include in the budget database website any information submitted by any participating governing body of a political subdivision. The official who submits the annual budget to the director of the budget may not submit any information that is confidential under state or federal law. In lieu of submitting the annual budget adopted by the governing body to the director, any participating governing body may provide to the director a publicly accessible internet link on which the annual budget adopted by the participating governing body is available.

SECTION 12. LEGISLATIVE MANAGEMENT STUDY - STATE AGENCY FACILITY NEEDS. During the 2013-14 interim, the legislative management shall study the facility needs of state agencies located in the Bismarck area, including an evaluation of current and projected facility needs of state agencies, facilities on the capitol grounds currently being used by state agencies, and facilities owned or leased by state agencies that are not located on the capitol grounds. As part of the study, the legislative management shall determine if additional facilities are needed for the operations of state agencies. If it is determined that additional space is needed, the legislative management shall review the most economical options for increasing the amount of facilities space available, including options for renovating or expanding existing buildings on the capitol grounds, options for constructing new buildings on the capitol grounds, and options for building or leasing facilities that are not located on the capitol grounds. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

SECTION 13. LEGISLATIVE MANAGEMENT STUDY - SALARIES AND WAGES APPROPRIATIONS - CLASSIFICATION SYSTEM. The legislative management shall consider studying, during the 2013-14 interim, the process of appropriating funds for salaries and wages and the state's classification system. The study, if conducted, must consider the feasibility and desirability of appropriating a lump

sum amount to each agency for salaries and wages, without identifying specific purposes for the funding and allowing the agency head the flexibility to use the funding as necessary to accomplish the duties and responsibilities of the agency. The study must also include the effect of this change on the state's classification and benefits system and on the process of reporting by the agency on its use of the funds to the legislative assembly. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

SECTION 14. LEGISLATIVE MANAGEMENT STUDY - STATE EMPLOYEE HEALTH INSURANCE PREMIUMS. The legislative management shall consider studying, during the 2013-14 interim, the feasibility and desirability of establishing a maximum state contribution to the cost of state employee health insurance premiums. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

SECTION 15. EFFECTIVE DATE. Section 11 of this Act becomes effective on January 1, 2014."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1015 - Office of Management and Budget - House Action

	Executive Budget	House Changes	House Version
Salaries and wages	\$20,904,344	(\$530,683)	\$20,373,661
Operating expenses	14,696,788	(470,000)	14,226,788
Capital assets	9,796,065	(4,000,000)	5,796,065
Grants	430,000		430,000
Emergency Commission contingency fund	700,000	300,000	1,000,000
Prairie Public Broadcasting	2,037,138	(500,000)	1,537,138
State student internship program	200,000		200,000
Health insurance pool - temp employees	2,000,000	(2,000,000)	
Accrued leave payments		570,412	570,412
Transfer to property tax fund		373,210,000	373,210,000
Total all funds	\$50,764,335	\$366,579,729	\$417,344,064
Less estimated income	9,589,395	(809,096)	8,780,299
General fund	\$41,174,940	\$367,388,825	\$408,563,765
FTE	131.50	(1.00)	130.50

Department No. 110 - Office of Management and Budget - Detail of House Changes

	Corrects Executive Compensation Package¹	Provides Separate Line Item for Accrued Leave Payments²	Removes Vacant FTE Position³	Adjusts Funding for Central Services Operations⁴	Adds Funding for State Database Website⁵	Removes Funding for Contracting With Auditors⁶
Salaries and wages	\$34,729	(\$570,412)	(\$150,000)	\$155,000		
Operating expenses				30,000	100,000	(600,000)
Capital assets						
Grants						
Emergency Commission contingency fund						
Prairie Public Broadcasting						

State student internship program						
Health insurance pool - temp employees						
Accrued leave payments		570,412				
Transfer to property tax fund						
Total all funds	\$34,729	\$0	(\$150,000)	\$185,000	\$100,000	(\$600,000)
Less estimated income	5,904	0	0	185,000	0	0
General fund	\$28,825	\$0	(\$150,000)	\$0	\$100,000	(\$600,000)
FTE	0.00	0.00	(1.00)	0.00	0.00	0.00

	Increases State Contingencies Funding⁷	Removes Health Insurance Pool for Temporary Employees⁸	Reduces One-Time Funding for Prairie Public Broadcasting⁹	Removes Funding for Parking Lot Project¹⁰	Adjusts General Fund Transfer to Property Tax Relief Sustainability Fund¹¹	Total House Changes
Salaries and wages						(\$530,683)
Operating expenses						(470,000)
Capital assets				(4,000,000)		(4,000,000)
Grants						
Emergency Commission contingency fund	300,000					300,000
Prairie Public Broadcasting			(500,000)			(500,000)
State student internship program						
Health insurance pool - temp employees		(2,000,000)				(2,000,000)
Accrued leave payments						570,412
Transfer to property tax fund					373,210,000	373,210,000
Total all funds	\$300,000	(\$2,000,000)	(\$500,000)	(\$4,000,000)	\$373,210,000	\$366,579,729
Less estimated income	0	(1,000,000)	0	0	0	(809,096)
General fund	\$300,000	(\$1,000,000)	(\$500,000)	(\$4,000,000)	\$373,210,000	\$367,388,825
FTE	0.00	0.00	0.00	0.00	0.00	(1.00)

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

² A portion of salaries and wages funding from the general fund (\$478,233) and from other funds (\$92,179) 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.

³ One vacant FTE position in the Facilities Management Division is removed.

⁴ Additional special funds authority is added for salaries (\$155,000) and operating expenses (\$30,000) for the Central Services Division.

⁵ Funding is added for costs associated with the implementation of a political subdivision-reporting component for the state budget database website.

⁶ Funding included in the executive budget recommendation for the Office of Management and Budget to contract with an external audit firm for audits is removed.

⁷ Funding for the Emergency Commission state contingencies fund is increased by \$300,000, from \$700,000 to \$1,000,000.

⁸ Funding included in the executive budget for a health insurance pool for temporary employees under the federal Affordable Care Act is removed.

⁹ One-time funding for Prairie Public Broadcasting upgrades is reduced by \$500,000, from \$700,000 to \$200,000.

¹⁰ Funding included in the executive budget for Capitol grounds parking lot projects is removed.

¹¹ The transfer from the general fund to the property tax relief sustainability fund is reduced from \$744.8 million to \$373.2 million and the timing of the transfer is changed from the 2011-13 biennium to the 2013-15 biennium.

This amendment also provides for the following:

- Creates a new subsection to Section 54-44.1-18 relating to political subdivisions submitting budget information to the state database website. The new subsection becomes effective on January 1, 2014.
- Adds a study of the facility needs of state agencies located in the Bismarck area.
- Adds guidelines regarding the use of funding from state agency accrued leave payments line items.
- Adds a study of the process of appropriating funds for salaries and wages for the state employee classification system.
- Adds a study of state contributions for state employee health insurance premiums.

Date: 2/12/13
 Roll Call Vote #: 1

**2013 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 1015**

House Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number .01006

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

Motion Made By Rep. Thoreson Seconded By Rep. Skarpol

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	X				
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		
Rep. Nelson	X				
Rep. Pollert	X				
Rep. Sanford	X				
Rep. Skarpol	X				

Total Yes 17 No 4

Absent 1

Floor Assignment _____

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

motion carries

Date: 2/25/13
 Roll Call Vote #: 1

**2013 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 1015**

House Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number .01008

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

Motion Made By Rep. Kempenich 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:

*further amend (.01006 already adopted)
 voice vote carries*

Date: 2/25/13
 Roll Call Vote #: 2

**2013 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 1015**

House Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number .01009

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

Motion Made By Rep. Thoreson Seconded By Rep. Brandenburg

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: 2/25/13
 Roll Call Vote #: 3

**2013 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 1015**

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. Streyle 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	X				
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 9 No 13

Absent 0

Floor Assignment _____

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

increase max amount to \$250,000 on Capitol ^{building} fund
 voice vote failed, roll call requested

Date: 2/25/13
 Roll Call Vote #: 4

**2013 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 1015**

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. Streyle Seconded By Rep. Skarphol

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	X				
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 12 No 10

Absent _____

Floor Assignment _____

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

reduce #1 green sheet \$500,000 to \$200,000

Motion carries

Substitute motion

Date: 2/25/13
 Roll Call Vote #: 5

**2013 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 1015**

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. Bellew Seconded By Rep. Streyle

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	X				
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 11 No 11

Absent _____

Floor Assignment _____

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

*eliminate funding on green sheet #1
 motion fails*

Date: 2/25/13
 Roll Call Vote #: 6

**2013 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 1015**

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. Kempenich Seconded By Rep. Brandenburg

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	X				
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 17 No 5

Absent 0

Floor Assignment Rep. Kempenich

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

REPORT OF STANDING COMMITTEE (MAJORITY)

HB 1015: Appropriations Committee (Rep. Delzer, Chairman) A MAJORITY of your committee (Reps. Delzer, Kempenich, Bellew, Brandenburg, Dosch, Grande, Hawken, Kreidt, Martinson, Monson, J. Nelson, Pollert, Sanford, Skarphol, Streyle, Thoreson, Wieland) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS**.

Page 1, line 2, after "budget" insert "; to create and enact a new subsection to section 54-44.1-18 of the North Dakota Century Code, relating to political subdivisions submitting budget information to the state budget database website"

Page 1, line 4, after "intent" insert "; to provide for legislative management studies"

Page 1, line 5, replace "declare an emergency" with "provide an effective date"

Page 1, remove lines 15 through 24

Page 2, replace lines 1 through 4 with:

"Salaries and wages	\$18,477,763	\$1,241,539	\$19,719,302
Operating expenses	13,755,254	471,534	14,226,788
Emergency commission contingency fund	700,000	300,000	1,000,000
Capital assets	5,190,143	605,922	5,796,065
Grants	430,000	0	430,000
Prairie public broadcasting	1,000,000	537,138	1,537,138
State student internship program	200,000	0	200,000
Accrued leave payments	0	<u>570,412</u>	<u>570,412</u>
Total all funds	\$39,753,160	\$3,726,545	\$43,479,705
Less estimated income	<u>10,514,461</u>	<u>(1,844,863)</u>	<u>8,669,598</u>
Total general fund	\$29,238,699	\$5,571,408	\$34,810,107
Full-time equivalent positions	131.50	(1.00)	130.50"

Page 2, replace lines 17 through 19 with:

"Prairie public broadcasting 0 200,000"

Page 2, replace lines 21 through 23 with:

"Total general fund \$478,354,000 \$4,090,000"

Page 2, line 29, remove "- 2011-13 BIENNIUM"

Page 2, line 31, replace "\$744,767,676" with "\$373,210,000"

Page 3, line 1, remove "for the period beginning"

Page 3, line 2, replace "with the effective date of this Act" with "during the biennium beginning July 1, 2013,"

Page 3, line 2, replace "2013" with "2015"

Page 3, remove lines 18 through 25

Page 3, line 28, replace "9" with "8"

Page 3, line 29, after the period insert "However, agencies may not transfer appropriation authority from the accrued leave payments line item under authority granted in this section."

Page 4, replace lines 1 through 22 with:

"SECTION 8. STATE EMPLOYEE COMPENSATION ADJUSTMENTS - LEGISLATIVE INTENT - GUIDELINES. It is the intent of the sixty-third legislative assembly that 2013-15 biennium compensation adjustments for classified state employees are to be in a range of 2 to 4 percent for each year of the biennium based on documented performance. Increases for classified state employees are not to be the same percentage increase for each employee. The performance increases are to be given beginning with the month of July 2013, to be paid in August 2013, and beginning with the month of July 2014, to be paid in August 2014. An additional compensation adjustment of up to two percent for the first year of the biennium may be provided for a classified state employee whose salary is in the first quartile of the employee's assigned salary range to address market equity. The market equity increases are to be given beginning with the month of July 2013, to be paid in August 2013.

It is the intent of the sixty-third legislative assembly that the goal of the classified state employee compensation program be a compensation ratio of 95 percent of the market policy point used by the office of management and budget for establishing the grade and salary range structure for fiscal year 2013. The office of management and budget may not adjust the market policy point based on an estimated inflationary factor during the 2013-15 biennium. The office of management and budget shall develop guidelines for use by state agencies for providing compensation adjustments for regular classified employees in accordance with provisions of this section and section 54-44.3-01.2.

Compensation adjustments for regular nonclassified state employees are to be in a range of 2 to 4 percent for each year of the biennium based on market and documented performance and are not to be the same percentage increase for each employee. The market and performance increases are to be given beginning with the month of July 2013, to be paid in August 2013, and beginning with the month of July 2014, to be paid in August 2014.

It is the intent of the legislative assembly that retirement contribution percentages provided by the state and the employee to the public employees retirement system not be changed during the 2013-15 biennium from the percentages in effect at the end of the 2011-13 biennium.

Probationary employees are not entitled to the market and performance increases. However, probationary employees may be given all or a portion of the increases upon completion of probation, at the discretion of the appointing authority. Employees whose overall documented performance level does not meet standards are not eligible for any salary increase.

SECTION 9. ACCRUED LEAVE PAYMENTS LINE ITEM - LINE ITEM TRANSFERS - EMERGENCY COMMISSION APPROVAL. The accrued leave payments line item included in agency appropriation bills, as approved by the sixty-third legislative assembly, includes funding for paying accrued annual leave and sick leave for eligible employees resigning, retiring, or otherwise discontinuing employment with the agency. The emergency commission may approve agency requests for line item transfers from the accrued leave payments line item to the salaries and wages line item or other line item that includes salaries and wages funding subject to the agency providing documentation justifying the need for the funding transfer for the biennium beginning July 1, 2013, and ending June 30, 2015."

Page 6, replace lines 1 and 2 with:

"SECTION 11. A new subsection to section 54-44.1-18 of the North Dakota Century Code is created and enacted as follows:

The governing body of each political subdivision may submit the annual budget adopted by the governing body to the director of the budget for inclusion in the state budget database website. The director of the budget

shall include in the budget database website any information submitted by any participating governing body of a political subdivision. The official who submits the annual budget to the director of the budget may not submit any information that is confidential under state or federal law. In lieu of submitting the annual budget adopted by the governing body to the director, any participating governing body may provide to the director a publicly accessible internet link on which the annual budget adopted by the participating governing body is available.

SECTION 12. LEGISLATIVE MANAGEMENT STUDY - STATE AGENCY FACILITY NEEDS. During the 2013-14 interim, the legislative management shall study the facility needs of state agencies located in the Bismarck area, including an evaluation of current and projected facility needs of state agencies, facilities on the capitol grounds currently being used by state agencies, and facilities owned or leased by state agencies that are not located on the capitol grounds. As part of the study, the legislative management shall determine if additional facilities are needed for the operations of state agencies. If it is determined that additional space is needed, the legislative management shall review the most economical options for increasing the amount of facilities space available, including options for renovating or expanding existing buildings on the capitol grounds, options for constructing new buildings on the capitol grounds, and options for building or leasing facilities that are not located on the capitol grounds. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

SECTION 13. LEGISLATIVE MANAGEMENT STUDY - SALARIES AND WAGES APPROPRIATIONS - CLASSIFICATION SYSTEM. The legislative management shall consider studying, during the 2013-14 interim, the process of appropriating funds for salaries and wages and the state's classification system. The study, if conducted, must consider the feasibility and desirability of appropriating a lump sum amount to each agency for salaries and wages, without identifying specific purposes for the funding and allowing the agency head the flexibility to use the funding as necessary to accomplish the duties and responsibilities of the agency. The study must also include the effect of this change on the state's classification and benefits system and on the process of reporting by the agency on its use of the funds to the legislative assembly. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

SECTION 14. LEGISLATIVE MANAGEMENT STUDY - STATE EMPLOYEE HEALTH INSURANCE PREMIUMS. The legislative management shall consider studying, during the 2013-14 interim, the feasibility and desirability of establishing a maximum state contribution to the cost of state employee health insurance premiums. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

SECTION 15. EFFECTIVE DATE. Section 11 of this Act becomes effective on January 1, 2014."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1015 - Office of Management and Budget - House Action

	Executive Budget	House Changes	House Version
Salaries and wages	\$20,904,344	(\$1,185,042)	\$19,719,302
Operating expenses	14,696,788	(470,000)	14,226,788
Capital assets	9,796,065	(4,000,000)	5,796,065
Grants	430,000		430,000

Emergency Commission contingency fund	700,000	300,000	1,000,000
Prairie Public Broadcasting	2,037,138	(500,000)	1,537,138
State student internship program	200,000		200,000
Health insurance pool - temp employees	2,000,000	(2,000,000)	
Accrued leave payments		570,412	570,412
Transfer to property tax fund		373,210,000	373,210,000
Total all funds	\$50,764,335	\$365,925,370	\$416,689,705
Less estimated income	9,589,395	(919,797)	8,669,598
General fund	\$41,174,940	\$366,845,167	\$408,020,107
FTE	131.50	(1.00)	130.50

Department No. 110 - Office of Management and Budget - 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	Removes Vacant FTE Position ⁴	Adjusts Funding for Central Services Operations ⁵	Adds Funding for State Database Website ⁶
Salaries and wages	\$34,729	(\$654,359)	(\$570,412)	(\$150,000)	\$155,000	
Operating expenses					30,000	100,000
Capital assets						
Grants						
Emergency Commission contingency fund						
Prairie Public Broadcasting						
State student internship program						
Health insurance pool - temp employees						
Accrued leave payments			570,412			
Transfer to property tax fund						
Total all funds	\$34,729	(\$654,359)	\$0	(\$150,000)	\$185,000	\$100,000
Less estimated income	5,904	(110,701)	0	0	185,000	0
General fund	\$28,825	(\$543,658)	\$0	(\$150,000)	\$0	\$100,000
FTE	0.00	0.00	0.00	(1.00)	0.00	0.00

	Removes Funding for Contracting With Auditors ⁷	Increases State Contingencies Funding ⁸	Removes Health Insurance Pool for Temporary Employees ⁹	Reduces One-Time Funding for Prairie Public Broadcasting ¹⁰	Removes Funding for Parking Lot Project ¹¹	Adjusts General Fund Transfer to Property Tax Relief Sustainability Fund ¹²
Salaries and wages						
Operating expenses	(600,000)					
Capital assets						
Grants					(4,000,000)	
Emergency Commission contingency fund		300,000				
Prairie Public Broadcasting				(500,000)		
State student internship program						
Health insurance pool - temp employees			(2,000,000)			
Accrued leave payments						
Transfer to property tax fund						373,210,000
Total all funds	(\$600,000)	\$300,000	(\$2,000,000)	(\$500,000)	(\$4,000,000)	\$373,210,000
Less estimated income	0	0	(1,000,000)	0	0	0
General fund	(\$600,000)	\$300,000	(\$1,000,000)	(\$500,000)	(\$4,000,000)	\$373,210,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Total House Changes	(\$1,185,042)
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Operating expenses	(470,000)
Capital assets	(4,000,000)
Grants	
Emergency Commission contingency fund	300,000
Prairie Public Broadcasting State student internship program	(500,000)
Health insurance pool - temp employees	(2,000,000)
Accrued leave payments	570,412
Transfer to property tax fund	373,210,000
Total all funds	\$365,925,370
Less estimated income	(919,797)
General fund	\$366,845,167
FTE	(1.00)

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

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 2 to 4 percent per 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.

³ A portion of salaries and wages funding from the general fund (\$478,233) and from other funds (\$92,179) 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.

⁴ One vacant FTE position in the Facilities Management Division is removed.

⁵ Additional special funds authority is added for salaries (\$155,000) and operating expenses (\$30,000) for the Central Services Division.

⁶ Funding is added for costs associated with the implementation of a political subdivision-reporting component for the state budget database website.

⁷ Funding included in the executive budget recommendation for the Office of Management and Budget to contract with an external audit firm for audits is removed.

⁸ Funding for the Emergency Commission state contingencies fund is increased by \$300,000, from \$700,000 to \$1,000,000.

⁹ Funding included in the executive budget for a health insurance pool for temporary employees under the federal Affordable Care Act is removed.

¹⁰ One-time funding for Prairie Public Broadcasting upgrades is reduced by \$500,000, from \$700,000 to \$200,000.

¹¹ Funding included in the executive budget for Capitol grounds parking lot projects is removed.

¹² The transfer from the general fund to the property tax relief sustainability fund is reduced from \$744.8 million to \$373.2 million and the timing of the transfer is changed from the 2011-

13 biennium to the 2013-15 biennium.

This amendment also provides for the following:

- Creates a new subsection to Section 54-44.1-18 relating to political subdivisions submitting budget information to the state database website. The new subsection becomes effective on January 1, 2014.
- Adds a study of the facility needs of state agencies located in the Bismarck area.
- Revises the guidelines for state employee compensation increases during the 2013-15 biennium to provide for 2 to 4 percent annual performance increases and additional market increases of up to 2 percent during the first year of the biennium.
- Adds guidelines regarding the use of funding from state agency accrued leave payments line items.
- Adds a study of the process of appropriating funds for salaries and wages for the state employee classification system.
- Adds a study of state contributions for state employee health insurance premiums.

REPORT OF STANDING COMMITTEE (MINORITY)

HB 1015: Appropriations Committee (Rep. Delzer, Chairman) A **MINORITY** of your committee (Reps. Glasheim, Boe, Guggisberg, Holman, Williams) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS**.

Page 1, line 2, after "budget" insert "; to create and enact a new subsection to section 54-44.1-18 of the North Dakota Century Code, relating to political subdivisions submitting budget information to the state budget database website"

Page 1, line 4, after "intent" insert "; to provide for legislative management studies"

Page 1, line 5, replace "declare an emergency" with "provide an effective date"

Page 1, remove lines 15 through 24

Page 2, replace lines 1 through 4 with:

"Salaries and wages	\$18,477,763	\$1,895,898	\$20,373,661
Operating expenses	13,755,254	471,534	14,226,788
Emergency commission contingency fund	700,000	300,000	1,000,000
Capital assets	5,190,143	605,922	5,796,065
Grants	430,000	0	430,000
Prairie public broadcasting	1,000,000	537,138	1,537,138
State student internship program	200,000	0	200,000
Accrued leave payments	0	<u>570,412</u>	<u>570,412</u>
Total all funds	\$39,753,160	\$4,380,904	\$44,134,064
Less estimated income	<u>10,514,461</u>	<u>(1,734,162)</u>	<u>8,780,299</u>
Total general fund	\$29,238,699	\$6,115,066	\$35,353,765
Full-time equivalent positions	131.50	(1.00)	130.50"

Page 2, replace lines 17 through 19 with:

"Prairie public broadcasting 0 200,000"

Page 2, replace lines 21 through 23 with:

"Total general fund \$478,354,000 \$4,090,000"

Page 2, line 29, remove "- 2011-13 BIENNIUM"

Page 2, line 31, replace "\$744,767,676" with "\$373,210,000"

Page 3, line 1, remove "for the period beginning"

Page 3, line 2, replace "with the effective date of this Act" with "during the biennium beginning July 1, 2013,"

Page 3, line 2, replace "2013" with "2015"

Page 3, remove lines 18 through 25

Page 3, line 28, replace "9" with "8"

Page 3, line 29, after the period insert "However, agencies may not transfer appropriation authority from the accrued leave payments line item under authority granted in this section."

Page 4, after line 22 insert:

"SECTION 9. ACCRUED LEAVE PAYMENTS LINE ITEM - LINE ITEM TRANSFERS - EMERGENCY COMMISSION APPROVAL. The accrued leave payments line item included in agency appropriation bills, as approved by the sixty-third legislative assembly, includes funding for paying accrued annual leave and sick leave for eligible employees resigning, retiring, or otherwise discontinuing employment with the agency. The emergency commission may approve agency requests for line item transfers from the accrued leave payments line item to the salaries and wages line item or other line item that includes salaries and wages funding subject to the agency providing documentation justifying the need for the funding transfer for the biennium beginning July 1, 2013, and ending June 30, 2015."

Page 6, replace lines 1 and 2 with:

"SECTION 11. A new subsection to section 54-44.1-18 of the North Dakota Century Code is created and enacted as follows:

The governing body of each political subdivision may submit the annual budget adopted by the governing body to the director of the budget for inclusion in the state budget database website. The director of the budget shall include in the budget database website any information submitted by any participating governing body of a political subdivision. The official who submits the annual budget to the director of the budget may not submit any information that is confidential under state or federal law. In lieu of submitting the annual budget adopted by the governing body to the director, any participating governing body may provide to the director a publicly accessible internet link on which the annual budget adopted by the participating governing body is available.

SECTION 12. LEGISLATIVE MANAGEMENT STUDY - STATE AGENCY FACILITY NEEDS. During the 2013-14 interim, the legislative management shall study the facility needs of state agencies located in the Bismarck area, including an evaluation of current and projected facility needs of state agencies, facilities on the capitol grounds currently being used by state agencies, and facilities owned or leased by state agencies that are not located on the capitol grounds. As part of the study, the legislative management shall determine if additional facilities are needed for the operations of state agencies. If it is determined that additional space is needed, the legislative management shall review the most economical options for increasing the amount of facilities space available, including options for renovating or expanding existing buildings on the capitol grounds, options for constructing new buildings on the capitol grounds, and options for building or leasing facilities that are not located on the capitol grounds. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

SECTION 13. LEGISLATIVE MANAGEMENT STUDY - SALARIES AND WAGES APPROPRIATIONS - CLASSIFICATION SYSTEM. The legislative management shall consider studying, during the 2013-14 interim, the process of appropriating funds for salaries and wages and the state's classification system. The study, if conducted, must consider the feasibility and desirability of appropriating a lump sum amount to each agency for salaries and wages, without identifying specific purposes for the funding and allowing the agency head the flexibility to use the funding as necessary to accomplish the duties and responsibilities of the agency. The study must also include the effect of this change on the state's classification and benefits system and on the process of reporting by the agency on its use of the funds to the legislative assembly. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

SECTION 14. LEGISLATIVE MANAGEMENT STUDY - STATE EMPLOYEE HEALTH INSURANCE PREMIUMS. The legislative management shall consider studying, during the 2013-14 interim, the feasibility and desirability of establishing a

maximum state contribution to the cost of state employee health insurance premiums. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

SECTION 15. EFFECTIVE DATE. Section 11 of this Act becomes effective on January 1, 2014."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1015 - Office of Management and Budget - House Action

	Executive Budget	House Changes	House Version
Salaries and wages	\$20,904,344	(\$530,683)	\$20,373,661
Operating expenses	14,696,788	(470,000)	14,226,788
Capital assets	9,796,065	(4,000,000)	5,796,065
Grants	430,000		430,000
Emergency Commission contingency fund	700,000	300,000	1,000,000
Prairie Public Broadcasting	2,037,138	(500,000)	1,537,138
State student internship program	200,000		200,000
Health insurance pool - temp employees	2,000,000	(2,000,000)	
Accrued leave payments		570,412	570,412
Transfer to property tax fund		373,210,000	373,210,000
Total all funds	\$50,764,335	\$366,579,729	\$417,344,064
Less estimated income	9,589,395	(809,096)	8,780,299
General fund	\$41,174,940	\$367,388,825	\$408,563,765
FTE	131.50	(1.00)	130.50

Department No. 110 - Office of Management and Budget - Detail of House Changes

	Corrects Executive Compensation Package¹	Provides Separate Line Item for Accrued Leave Payments²	Removes Vacant FTE Position³	Adjusts Funding for Central Services Operations⁴	Adds Funding for State Database Website⁵	Removes Funding for Contracting With Auditors⁶
Salaries and wages	\$34,729	(\$570,412)	(\$150,000)	\$155,000		
Operating expenses				30,000	100,000	(600,000)
Capital assets						
Grants						
Emergency Commission contingency fund						
Prairie Public Broadcasting						
State student internship program						
Health insurance pool - temp employees						
Accrued leave payments		570,412				
Transfer to property tax fund						
Total all funds	\$34,729	\$0	(\$150,000)	\$185,000	\$100,000	(\$600,000)
Less estimated income	5,904	0	0	185,000	0	0
General fund	\$28,825	\$0	(\$150,000)	\$0	\$100,000	(\$600,000)
FTE	0.00	0.00	(1.00)	0.00	0.00	0.00

	Increases State Contingencies Funding⁷	Removes Health Insurance Pool for Temporary Employees⁸	Reduces One-Time Funding for Prairie Public Broadcasting⁹	Removes Funding for Parking Lot Project¹⁰	Adjusts General Fund Transfer to Property Tax Relief Sustainability Fund¹¹	Total House Changes
Salaries and wages						(\$530,683)
Operating expenses						(470,000)

Capital assets				(4,000,000)		(4,000,000)
Grants						
Emergency Commission contingency fund	300,000					300,000
Prairie Public Broadcasting			(500,000)			(500,000)
State student internship program						
Health insurance pool - temp employees		(2,000,000)				(2,000,000)
Accrued leave payments						570,412
Transfer to property tax fund					373,210,000	373,210,000
Total all funds	\$300,000	(\$2,000,000)	(\$500,000)	(\$4,000,000)	\$373,210,000	\$366,579,729
Less estimated income	0	(1,000,000)	0	0	0	(809,096)
General fund	\$300,000	(\$1,000,000)	(\$500,000)	(\$4,000,000)	\$373,210,000	\$367,388,825
FTE	0.00	0.00	0.00	0.00	0.00	(1.00)

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

² A portion of salaries and wages funding from the general fund (\$478,233) and from other funds (\$92,179) 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.

³ One vacant FTE position in the Facilities Management Division is removed.

⁴ Additional special funds authority is added for salaries (\$155,000) and operating expenses (\$30,000) for the Central Services Division.

⁵ Funding is added for costs associated with the implementation of a political subdivision-reporting component for the state budget database website.

⁶ Funding included in the executive budget recommendation for the Office of Management and Budget to contract with an external audit firm for audits is removed.

⁷ Funding for the Emergency Commission state contingencies fund is increased by \$300,000, from \$700,000 to \$1,000,000.

⁸ Funding included in the executive budget for a health insurance pool for temporary employees under the federal Affordable Care Act is removed.

⁹ One-time funding for Prairie Public Broadcasting upgrades is reduced by \$500,000, from \$700,000 to \$200,000.

¹⁰ Funding included in the executive budget for Capitol grounds parking lot projects is removed.

¹¹ The transfer from the general fund to the property tax relief sustainability fund is reduced from \$744.8 million to \$373.2 million and the timing of the transfer is changed from the 2011-13 biennium to the 2013-15 biennium.

This amendment also provides for the following:

- Creates a new subsection to Section 54-44.1-18 relating to political subdivisions submitting budget information to the state database website. The new subsection becomes effective on January 1, 2014.
- Adds a study of the facility needs of state agencies located in the Bismarck area.

- Adds guidelines regarding the use of funding from state agency accrued leave payments line items.
- Adds a study of the process of appropriating funds for salaries and wages for the state employee classification system.
- Adds a study of state contributions for state employee health insurance premiums.

The reports of the majority and the minority were placed on the Seventh order of business on the calendar for the succeeding legislative day.

2013 SENATE APPROPRIATIONS

HB 1015

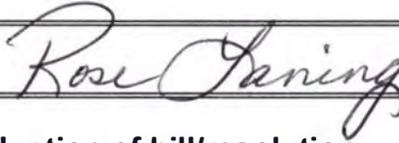
2013 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee Harvest Room, State Capitol

HB 1015
March 13, 2013
Job # 19860

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 various divisions under the supervision of the director of the office of management and budget.

Minutes:

Testimony attached # 1 - 12

Legislative Council - Brady Larson
OMB - Lori Laschkewitsch

Chairman Holmberg opened the hearing on HB 1015. All committee members were present.

Representative Jeff Delzer, District 8, Chairman, House Appropriations

Testimony attached # 1 - Proposed Amendments to House Bill No. 1015

Testimony attached # 2 - Funding for State Employee Salaries and Benefits

Testimony attached # 3 - Accrued Leave Payments - Vacant Position Savings

Rep. Delzer came to explain the House changes did to HB 1015 and also explain a proposed amendment.

16:04 **Senator Carlisle:** Let's start with #12 - Most of us are under the state health insurance. If you want to put a cap on that, we would take a pay cut?

Jeff Delzer: I don't know that it would be a pay cut. It would be the same as the state employee's if we wanted to stay in the package. It was decided by the legislature to go forward with this, we'd have to pay our share.

Senator Carlisle: What is turnover for state employees?

Jeff Delzer: It depends if you are going from state to state or office to office.

Senator Carlisle: It is about 11%. Legislative Council has 6 job openings right now. On our actuary, if you want to send up a fund, do you have any actuarial basis for what you are going to do for freezing the fund? That is going to affect our rating.

Jeff Delzer: We have not done an actuarial study. We're looking at creating a fund and keeping the money and interest in it. It would be in a fund the legislature would use to cover the unfunded liabilities. If we have two year good run in stock market, we could have 80%.

Pam Sharp, Director, Office of Management and Budget

Testimony attached # 4 (Comprehensive Annual Financial Report (CAFR))

25:40 (They asked for \$2M to cover the health insurance pool for temporary employees - and the House removed that from the bill.)

Senator Warner: Was there a designated source for the special funds?

Pam Sharp: We would give them the appropriation authority to pay for the ACA (Affordable Care Act).

Sheila Peterson, Director, Fiscal Management Division, OMB

Testimony attached # 5

(42:00) **Tag Anderson, Director, Risk Management Division**

Testimony attached # 6

Laurie Sterioti Hammeren, Director, Human Resource Management Services, OMB

Testimony attached # 7

Sherry Neas, Director, Central Services Division, OMB

Testimony attached # 8

John Boyle, Director, Facility Management Division, OMB

Testimony attached # 9

Chairman Holmberg: The capitol tower is completely done.

54:02 **V.Chairman Bowman** (showing pictures of the parking lot and the capitol corridors to the cafeteria) Do they have free reign to do this?

John Boyle: We do estimate and architects are asked to stay within estimate. There were only two bids and both from out of state. It was too large for some of the smaller contractors but not large enough for some of the big contractors. The bid came in at \$1.5M. We may ask the architect to redesign at his cost so we can get the fees down. (Back to Testimony)

57:22 **Chairman Holmberg:** Haven't the monumental steps been leaking for forty years?

John Boyle: Yes. There have been five separate attempts to fix that in the last 40 years.

Senator Warner: When they redid the capital tower, a lot of those panels were stained because at some point in the past they had been caulked rather than mortared. Were you able to get the caulk off?

John Boyle: They had put caulk in during the late 80s. We removed that and put mortar back in. That is what we are going to do in your wing and the judicial wing. Caulk is great. It fixes the problem immediately but what happens is once birds pick away at it and the water gets in, it doesn't have a way out. Mortar permeates water in and out.

V.Chairman Grindberg: You referenced the parking lot? Did we use asphalt or concrete?

John Boyle: The new is asphalt.

V.Chairman Grindberg: Why not do concrete on all?

John Boyle: Concrete is about 25% higher than asphalt. That was one of the changes we had to make to be on budget. So the new is asphalt. Concrete is the way to go if you look it over a 50 year period. In OMB, if we don't meet the appropriation, we don't go above and beyond what we are appropriated so we had to design to the appropriation. We bid it as an alternate for concrete and it was way too much. The whole parking lot is \$11M and they wanted to take care of all three phases at one time, but it was too much. The legislator's parking lot is one of the worst shapes and that is in phase three to be done in 2017.

John E. Harris III, President and CEO, Prairie Public

Testified in favor of HB 1015

No written testimony.

Handed out Prairie Public information - see attached # 10

Senator Laffen, District 43, Capitol Grounds Planning Commission

Testimony attached # 11 - Amendment 13.8144.04002

Testimony attached # 12 - North Dakota Governor's Residence Master Plan

V.Chairman Grindberg: Could we have a more efficient project by using Design Build?

Senator Laffen: We won't get anything done any sooner.

Senator Mathern: Was there discussion about building a guest house?

Senator Laffen: We didn't discuss that. Every state has a governor's mansion where dignitaries come. It was built in a day when you could have a governor's residence and these public functions in the same building. That is more difficult to do with the security issues. We would design it so it looks like its one residence but has a discrete separation. The governor has detached garages and the governor walks outside to get to his house. We don't want to keep it that way. Our biggest issue is we need to start making some repairs and we have to decide if we are going to hang on to this building or start from scratch and build a new one. We think it is cheaper to start from scratch.

Senator Warner: I thought the intent of this was to make it look like a prairie ranch house. Could you talk about the aesthetic decisions and what kind of architecture we might want to adequately reflect the buildings?

Senator Laffen: There would be lots of discussion. My personal opinion is that it would be a combination of art décor architecture and Indiana limestone that matches the capitol grounds. It can be done in a contemporary way.

Chairman Holmberg closed the hearing on HB 1015.

2013 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee Harvest Room, State Capitol

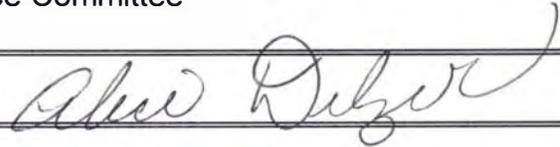
HB 1015 - Subcommittee

03-20-2013

Job # 20207

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A Subcommittee hearing regarding OMB

Minutes:

Chairman Holmberg called the subcommittee hearing together on Wednesday, March 20, 2013 at 9:30 am. Senator Carlisle and Senator O'Connell were present as were Lori Laschkewitsch and Pam Sharp and Sheila Peterson from OMB and Brady Larson from Legislative Council were also present.

Pam Sharp - Section 1 is the appropriation and they have changed the numbers based on the compensation package and a few other things. Section 2 is the one time funding from last biennium and the current biennium. Section 3 is a transfer to the property tax relief sustainability fund and this comes out of the next biennium.

Chairman Holmberg - Is this section dependent upon what we do at the end of the day?

Pam Sharp - Yes it is, this could potentially change.

Brady Larson - My understanding would be it just depends on how much money you want to set aside in the property tax relief sustainability fund for the next biennium.

Pam Sharp - In the governor's budget we had set aside another biennium besides so they cut this down. Then, section 4 is the exemption from turn back for fiscal management and this is the money that we use to support our PeopleSoft and budget system, we anticipate that our carry over will be about \$2 million this biennium. Section 5 is just the intent so that we give the 4H clubs some money that we pay state memberships, its appropriation for the unemployment insurance fund that unemployment insurance, this fund pays all the unemployment claims for state agencies so we charge agencies and it builds up in this fund. Right now we are not charging agencies because we have enough money in that fund.

Chairman Holmberg - When we looked at the one time funding we were told there is some money for next biennium for pressurizing the stairwells. Is that still in here?

Pam Sharp - That is in the base budget.

Chairman Holmberg - So those kinds of improvements within the capitol were not removed by House action?

Pam Sharp - That's right.

Chairman Holmberg - And that is a safety thing in case of fire and smoke you want it to be pressurized so people going down from 15 floors don't have to walk 14 floors through smoke.

Pam Sharp - Right and that just takes care of the pressurization of the stairwells. There is another issue that is not funded or being dealt with at this time of the exiting. Everything exits right into the elevator lobby so if the fire is there is no exit out. Section 6 allows HRMS to transfer appropriation authority for their internship program. There is \$200,000 in the base budget for this. This would be the 3rd biennium that we funded this. It pays for half of qualifying internship programs for state agencies. Section 7 is language that allows line item appropriation transfers for agencies regarding the compensation plan because some agencies pay their people under special lines so everything is under the salary line they need to transfer it to the appropriate line if they have special lines.

Chairman Holmberg - If we were to restore the executive recommendation on compensation this section would have to be amended. That line would have to be removed.

Pam Sharp - Right, you would have to take that line out. Section 8 is the House's version of the compensation plan for the market policy for the equity. They only go up to 2% in the first quartile and then for the performance it's a range of 2-4%.

Chairman Holmberg - We are well aware of that and section 9 and that will be looked at in an amendment that Brady will give us.

Pam Sharp - Section 10 is an amendment that OMB put in. It regards the distribution of the mineral royalties and right now everything that is collected goes into the general fund and then 3 months later when half if it is distributed to the counties where it came from it come directly out of the general fund so it looks like negative revenue. So this just sets up a reserve fund so that it's split from the get go, half goes into the general fund the other half goes into this refund account. Section 11 is the section that Representative Thoreson put in there and it's permissive language that says, well their intent was to get all of the political subdivisions to report their budgets so that there would be a central point, a website where someone could go and search and see what political subdivisions have in their budget. Section 12 the House added, it's a legislative study of the facility needs of state agencies in the Bismarck area.

Discussion followed on a Senate bill that is similar to section 12 of this bill.

Pam Sharp - Section 13 is another legislative study that says they shall consider studying the salaries and wages appropriation and the classification system.

Chairman Holmberg - This would be a regular interim committee and it is shall consider studying.

Pam Sharp - Section 14 is another shall consider studying and this is for the employee health insurance premiums and they are going to consider studying whether they want to establish a maximum state contribution to the health insurance premiums.

Chairman Holmberg - What does that accomplish because the legislature does that by our action? If we have a study and we say we aren't going to pay more than \$1,000 then we got into session and it's \$1,100 per person, they we will just raise the cap, so what are we accomplishing?

Senator Carlisle - 98% of lawmakers are under this also.

Pam Sharp - Section 15 is an effective date for section 11 and that is optional.

Chairman Holmberg - We had an amendment that was suggested having to do with the capital building fund and that would appropriate \$1.5 million plus some language that they can do others to replace the governor's residence and part of the argument was that over the next X years there is going to be X amount of money that needs to be spent to fix up the current residence. Are the number they are talking about accurate from the standpoint of, they need a new roof, they need XY and Z? I know the governor has said he is not in favor, but, we make the policy.

Pam Sharp - I have the study where they got the \$2.8 million from. In that \$2.8 million \$2.3 million builds another 5,000 square foot addition and adds a new parking lot, so that accounts for \$2.3 million of the \$2.8 million that they said they would need to do for repairs. There is actually about \$500,000 worth of repairs that need to be done. We believe we can get those repairs done over the next 2 or 3 biennium's even with our base budget. So, I think it's kind of misleading to say we have to put \$2.8 million of repairs in there when that includes a 5,000 square foot addition for like a conference center and new parking lot.

Chairman Holmberg - The parking is abysmal over there when there is a big event.

Pam Sharp - I will get that study for you. You will see that the new residence expansion is \$1.5 million, its \$200,000 for the parking lot. We have gone through this list and out of this list what needs to be done. We do believe we absolutely need to have an ADA walk to the backyard for \$150,000, we need the enclosure for the garage for \$151,000, the elevator is not an ADA issue, the idea to put this elevator in there was if the first family in the future had anyone that is handicapped that they would be able to use an elevator but it is not a requirement of ADA. We figure out of here there is \$400,000-\$500,000 that really does need to be done.

Chairman Holmberg - When you say that could be done out of the base budget are you talking about out of the capitol building fund or just out of OMB's budget?

Pam Sharp - OMB's base budget over 2 or 3 biennium. Clearly if you went with the option of doing the repairs and wanted them done sooner rather than later we would need a little bit of money to do that.

Chairman Holmberg - Were there any other amendments presented? I think we understand the state employee issue and I believe the Senate is firm. I think we were very impressed with the presentation on the impact on the retirement. We have a few people I think you would agree that are adamant to get rid of defined benefit, the problem is they don't really have a plan and an answer but they know they are unhappy.

There was discussion on the capitol parking lot.

Chairman Holmberg - The parking lot we would certainly take a look at. How about the hallway down to the lunch room?

Pam Sharp - We had actually bid that out for this biennium and the bids came out way too high and we did that hallway and the parking lot so we were only able to do this parking lot over there.

Senator Carlisle - Contractors are too busy.

Chairman Holmberg - Is there money in this biennium for the hallway? What was the total price? They had to do something regarding the loading dock.

Lori Laschkewitsch - It was \$575,000 we had appropriated \$300,000.

Pam Sharp - The work on the cafeteria is going to start as soon as the legislature is done. They are going to rearrange the whole thing and have the flow of people go differently. It opened in the late 1970's early 1980's.

Chairman Holmberg closed the hearing on HB 1015.

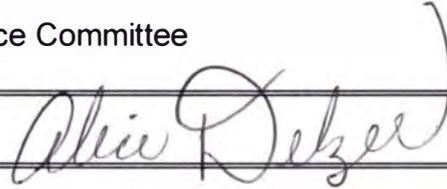
2013 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee Harvest Room, State Capitol

HB 1015 Subcommittee
04-02-2013
Job 20751

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A Subcommittee hearing on OMB

Minutes:

See attached testimony.

Chairman Holmberg called the subcommittee hearing together at 9:30 am on Tuesday, April 02, 2013 in regards to HB 1015. Members present: **Senators Holmberg, Carlisle, O'Connell.**

Brady Larson - Legislative Council
Lori Laschkewitsch - OMB

Chairman Holmberg: This bill is not in its final form by far. Can someone tell us about the discussion the house had in the increase of the emergency commission contingency fund to \$1M from \$700,000.

Pam Sharp, OMB. Currently we have about \$88,000 in our contingency fund. Their discussion was simply to add another \$300,000 to get it up to \$1M. It has been gradually increasing.

Chairman Holmberg asked for a list from the last 2 biennium of where the money went. (02:50) He made comments regarding how the money has been utilized.

Chairman Holmberg: John is here from Prairie Public. One of the things the House did was reduce that funding out of the executive budget. Could you tell us what that money would be used for? Last time your money was cut I understand there was a movement to remove a much larger amount of money from the executive budget. Tell us about the progress you are making on the renovation of the studio in Bismarck.

John Harris, President & CEO of Prairie Public Broadcasting. (06:04) Last biennium from what the senate recommended the House cut out about \$500,000 in one time requests, and \$337,000 for operations appropriation. This year the Governor did put back in the \$337,000 and \$700,000 in one time only dollars. The house left the \$337,000. Not sure why the House was that strongly opposed last time. There were issues with radio and some people don't think Prairie Public should be funded. Obviously Prairie Public is a

partner with the state especially with education, K- 12 schools, and with other projects in helping to create documentaries and being an archive for history and culture. We believe these dollars are important. \$700,000 won't cover all our projects but will give us some money to go after matching grants and we would prioritize and do what we can with the money. At the Bismarck studios we are well into the renovation. We are redoing the electrical and the plumbing and are within a few weeks of completing the first floor and then we'll go to the second floor.

Chairman Holmberg: Part of the money we spent in the past has been to provide state wide coverage. Where are we at on that completion?

Mr. Harris: From a transmission point of view, the towers and transmitters are all in place. The equipment side supports the operation. Without that it doesn't complete the picture. We still have needs that are included in this request. We are always tweaking that looking for unserved areas; we will continue to work on that. The House took out \$500,000 the Governor put in and we'd request the committee consider restoring that.

Chairman Holmberg: State radio - do you use their towers and do they have things on your towers?

Mr. Harris: I'll have to double check that. We do partner with numerous organizations. We've worked with state radio, commercial broadcasters, FBI, etc. There are partnerships and situations where we work with all these individuals to help them provide services and for us to provide services.

Senator Carlisle: On the \$500,000 the House took out, what was the reason? That was also for Bismarck - part of the repair and maintenance?

Mr. Harris: We have \$4.5M worth of projects. We have a number of shelters that are in disrepair and really structurally unsound at our transmitter sites that we are currently replacing. We are working on the first out of twenty-two. That was one of our requests - one of our high priorities we will address.

Senator Carlisle: What was the reasoning from the House? Did they give you the opportunity to explain?

Mr. Harris was not in the room when they made the move.

Ms. Sharp: I was in the room when they made the motion. It was simply to cut this back by \$500,000 on the one-time projects. No other explanation.

Chairman Holmberg: We will be restoring the \$500,000 but a conference committee is another matter.

He asked for Brady to put together a list of various items the House removed, for example the parking lot. Our side feels completing the parking lot next to the building and connecting parking lots makes some sense. Put together that list, either by OMB or through members of the subcommittee. Then we will ask 1 more time if there are items to add to the list.

Ms. Sharp proposed an amendment to engrossed HB 1015, regarding the amount of \$375,000 from the general fund for the purpose of providing community service supervision grants. Attached Testimony # 1. (15:00)

Chairman Holmberg: The House put in a grow factor on the contingency fund. Is that a reasonable number we can live with over the next 2 years?

Ms. Sharp: I think it probably is. We don't know about unknowns in disaster. We hope you'll put that funding in OMB's budget for the pool for health insurance for temporary employees. \$2M is an estimate.

Chairman Holmberg: We have to do it to comply with federal law, don't we?

Ms. Sharp: If that estimate is too low we might have to go the emergency fund to get it up to what we need. The \$300,000 to get it up to \$1M is probably logical.

Chairman Holmberg: The legislature is scheduled to be back in 8 months. We can do some emergency things in December. The governor can always call us back.

The subcommittee hearing was closed.

2013 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee Harvest Room, State Capitol

HB 1015 Subcommittee
04-09-2013
Job # 21043

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A Subcommittee hearing on OMB Budget

Minutes:

Attached testimony:

Chairman Holmberg called the subcommittee to order on Tuesday, April 09, 2013 at 3:00 pm in the Senate Conference Room. Let the record show that all conferees are present: Senators Holmberg, Carlisle and O'Connell.

Sheila Peterson - OMB

Brady Larson - Legislative Council

Lori Laschkewitsch - OMB

Chairman Holmberg: right now there is \$87,000 left

Sheila Peterson: That previous biennium we hardly spent anything, less than \$200,000. If you go to the previous biennium, which is the second page, every nickel is spent. It is hard to project what is going to come up, that is why we did the three biennium for you to see up, down, up, down.

Chairman Holmberg: This one's not done yet, there is something that needs to be talked with Pam. This will be the last bill we actually put to bed. We restored the compensation package.

Lori Laschkewitsch: Testimony attached # 1 # 2011-2013 Biennium Contingency Funds.

Brady Larson: Listing of Proposed Changes to Engrossed House Bill No. 1015 Testimony attached # 2.

Chairman Holmberg: I don't think we want to do # 8 - add funding from the capitol building fund. I can't find much support except amongst one person.

Senator O'Connell: no support on that from **Senator Carlisle** and myself.

Chairman Holmberg: we need to do that parking lot, they might not like it. We are looking at doing Prairie Public and the Health insurance pool for temporary employees; we need to have the amendment for that.

Senator Carlisle: are we going to do anything on IT, there is about 4 budgets, would this be the vehicle?

Chairman Holmberg in DPI they got together and said the folks aren't going to be transferred, because there had been no study about that. There is the issue with WSI, in that they are maintaining the same system as I understand it.

Senator Carlisle (inaudible)

Sheila Peterson - attorney general, PSC, water; and there are four that are supposed to move (inaudible) Just so you were aware the House does have (inaudible) budget right now and there is an amendment in there (inaudible) they did in individual agency budgets like PSC they took them out but they put it in again all in ITDs budget, and put in the attorney general this morning

Lori Laschkewitsch that passed back in SB 2021, the IT budget.

(inaudible)

Chairman Holmberg when going back up on the list, the House added \$300,000 to the contingency; 3 years ago we spent it all, last time we left a lot, this time we have quite a bit left. One of the big discussions was the possible litigation on the abortion bills. We are putting \$400,000 in the Attorney General's budget, the money he says he needs, so maybe we can save (inaudible) and see how adamant the House is. We will remove that funding.

(inaudible)

Chairman Holmberg: then #3, Pam had some comments on that did she?

Sheila Peterson: we would like you to do that.

Chairman Holmberg: Let's put that back in there, not building a new residence. #2 we put money into the data center is in commerce. I believe we have some money in there because we authorized... I think it's there. What do you guys think of #2? Do you know where we are at right now, over and above the general fund spending over the House or over the executive budget? Leave that a question mark. We do have to meet again. We may get some further information from Pam.

Senator Carlisle (inaudible)

Chairman Holmberg # 1, putting the money back in. #3, restoring the funding removed by the House , we are crossing off # 4, we are restoring #5, 6, 7 and not doing 8. Before the end of the week there may be changes.

Sheila Peterson: these were fixes we asked you to do. Other proposed changes.

Chairman Holmberg can you put that all in, but you don't have to do the amendment yet. If we don't do this until Thursday night or Friday we will have the bulk of all you have done

Lori Laschkewitsch the commerce budget has (inaudible) or the data center. They have a FTE there.

Discussion followed

Chairman Holmberg we will meet again at short notice.

(Inaudible)

Chairman Holmberg closed the subcommittee hearing.

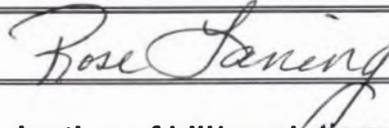
2013 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee Harvest Room, State Capitol

HB 1015
April 16, 2013
Job # 21161

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 various divisions under the supervision of the director of the office of management and budget.

Minutes:

Testimony attached # 1-3.

Legislative Council - Brady Larson & Allen Knudson
OMB - Lori Laschkewitsch

Chairman Holmberg opened the discussion on HB 1015. Roll call was taken. All committee members were present.

Chairman Holmberg asked if there were any amendments that should be addressed by the subcommittee (**Holmberg, Carlisle, O'Connell**). The subcommittee will ask Brady Larson to put together amendments for HB1015 for presentation tomorrow morning to the full committee.

Senator Rich Wardner, District 37, brought amendment 13.8154.02010. This amendment is to correct language in the one pro-life bill that had to do with pain that came out of the House a few days ago - SB 2368. There was a correction that needed to be made and they made it in the House. They stripped off one amendment and this went with it. It was amended, there was a mistake in the underlying part of this amendment and all this does is correct it and put it back the way it was before all these pro-life bills came through. I wish I had somebody here from the Pro-life people to talk about it.

V.Chairman Grindberg asked whose mistake this was and if Legislative Council was the author.

Senator Wardner said he thought the mistake was in the drafting and didn't know who made the mistake, but they wanted this change and so he agreed to tack it onto the OMB bill so that bill didn't have to come back to the Senate. I wanted it stripped off and I didn't want it back in the Senate. They were concerned about this language and said it needed to be put back the way it was. Some place it had been changed and they needed to get it back to the way it was. It was a technical error.

Senator Carlisle questioned that the amendments were for SB 2004 and we're supposed to fix SB 2368. You're intent is to put it on HB 1015

Senator Wardner: I guess I made a mistake. I thought we were putting it on here, but it's on SB 2004 - DOH. I've got so many irons in the fire this morning, I didn't even look.

Senators Kilzer, Grindberg, & Mathern will be the conference committee for 2004.

Senator Mathern handed out two sheets -
Attachment # 1 - Bills with a Fiscal Impact (prepared by Dept. of Human Services)
Attachment # 2 - Amendment # 13.8144.04014.

Attachment 1 is a summary list of 15 bills that have been passed or will probably be passed and will have a general fund consequence of \$22M on the Dept. of Human Services bill. He chose six bills that have completed the House and the Senate and are on the governor's desk to sign are: 1170, 1172, 1176, 1274, 1362, 2271.

He asked the committee to responsibly address their actions by funding these six bills and adding this amendment to HB 1015. Passing this amendment would acknowledge their general fund cost of \$1,243,082 dollars.

The rest of the bills on the list are still working their way through the system.

The six bills listed were all approved in this committee and they authorized 4 FTEs, so this amendment covers the 4 FTEs and the \$1.2M.

Senator Gary Lee: If you add up those bills, it obviously comes to less than \$1.2M but the other is FTE dollars?

Senator Mathern: The amendment is drafted in such a way that all of the federal and the general fund dollars are put together in the list and they include the cost of the FTEs.

Senator Carlisle (to Maggie Anderson, DHS) If we approve these six bills that don't have money and you have no place in your budget to cover these costs?

Maggie Anderson: There are six bill: 1170, 1172, 1176, 1274, 1362, 2271 that don't have money in them.

Senator Carlisle asked how this happened. Is there money anywhere in the budget? (He asked **Senator Kilzer** about the appropriation.)

Senator Kilzer: I don't know about the money.

Senator Mathern: These bills all came to the committee individually. There are actually 15 bills on this sheet. Individually, we probably thought they could absorb it or something except when we looked at the full tally, we have gone beyond what we expect the agency to be able to do. When you look at the big picture, we should address this and HB 1015 would be the place to do it.

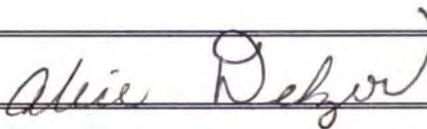
2013 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee Harvest Room, State Capitol

HB 1015 Subcommittee
04-16-2013 pm
Job # 21190

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for OMB

Minutes:

Attachments

Chairman Holmberg called the subcommittee to order on Tuesday, April 16, 2013 at 4:00 pm in regards to HB 1015. All conferees were present: Senators: Holmberg, Carlisle, and O'Connell.

Brady Larson - Legislative Council
Lori Laschkewitsch, Sheila Peterson and Pam Sharp - OMB

Chairman Holmberg: We will ask Brady to put together some amendments for our consideration tomorrow. What we have is the bill. Let's go through the changes.

Attachment #1- Listing of proposed changes to Engrossed SB 1015.

#1 Restore the compensation package.

#2 Remove funding added by the House for the state database website.

Pam Sharp commented on this section added by the House and the problems with it. (04:00) A short discussion followed.

Chairman Holmberg: By consensus, yes, we will remove that section - #2.

#3 had to do with auditors. (04:45)

Pam Sharp explained the thought behind putting this in their budget rather than adding FTE's to the auditor's office.

#4 **Senator Holmberg** suggested removing it for discussion purposes during the conference committee.

#5 Restore funding removed by the House for a health insurance pool for temporary employees.

#6 Restore funding removed by the house for PPB.

#7 Capitol Grounds parking lot - this was in the budget. Keep it in.

Senator Carlisle spoke about the corrections budget. He provided an amendment to be considered for a study and explained it. **Attachment # 2**. This includes a \$50,000 appropriation from the general fund.

Chairman Holmberg: If corrections passes the way it is, would there be a need for this?

Brady Larson: There would probably not be a need for this.

Senator Carlisle: The only thing would be the ag land portion of the study and that could be added in a conference. The ag folks have a pretty good point and it would be almost like a buffer zone.

Chairman Holmberg: We will leave it in.

Pam Sharp provided an amendment. **Attachment # 3**. This would raise the cap on the continuing appropriation from the capitol building fund administered by the capitol grounds planning commission. It can only be used for projects on the capitol grounds. It would more flexibility on projects to do during the interim.

(13:38) Discussion followed. This can be used for such things as parking lots if the capitol grounds planning commission chooses to use it for that.

The legislature can appropriate from that fund in addition to the continuing appropriation.

The continuing appropriation has not been changed for many years.

#9 was added - capitol grounds.

Chairman Holmberg: This would restore, in the areas of compensation, everything to the executive budget level. We will have to decide what the final language can be.

(17:15) On the back of Attachment # 1 were other proposed changes. Pam Sharp explained these.

(22:18) Discussion about the studies followed.

(23:58) The thought was that Section 13 could be taken out.

Section 14 of the bill can be left in.

Brady was asked to put the amendment into the proper form and e-mail it to the members and OMB.

Chairman Holmberg dismissed the subcommittee.

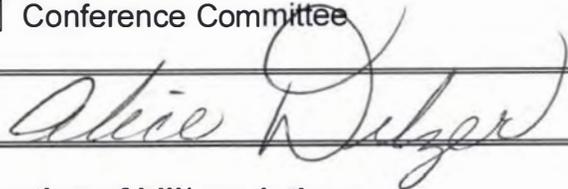
2013 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee Harvest Room, State Capitol

HB 1015
04-19-2013
Job # 21294

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for the Office of Management and Budget (Do Pass as Amended)

Minutes:

See attached testimony.

Chairman Holmberg called the committee to order on Friday, April 19, 2013 at 8:30 am in regards to HB 1015. Let the record show that all committee members were present

Lori Laschkewitsch, Pam Sharp, Sheila Peterson - OMB
Brady Larson - Legislative Council

Chairman Holmberg - Most bills are back from the House, not concurred and vice versa. A couple of interesting things, they have not sent back the labor commissioner, securities commission, and the Governor is not back. We have OMB, there is on deficiency they concurred on, and that was because of the brilliant oratory of Senator Gary Lee. The senate bills are all back except the university system, although they have passed it, they have not sent it back to us. They are appointed conference committee on the legislative branch in case you are interested they inserted in to the legislative branch language that says the per diem shall be increased for hotels that are within 500 yards of Kirkwood and then they made it retroactive to January 1st of this year.

Chairman Holmberg - I will pass out some suggested amendments. There might be some floor amendments that come before us. Amendment # 13.8144.04010. Testimony attached # 1.

Brady Larson - Funding changes on the bottom of page # 4, explained # 1 & 2.

#3 The House had added, just a technical correction.

#4 External audits, the House had removed that funding, this amendment restores that.

#5 Has to do with the MCRR, have a land use study of the current location.

#6 Removes funding for a state database website.

#7 Parking lot funding, the House removed, it is restored.

#8 Relates to the state contingencies fund.

#9 Relates to Prairie Public Broadcasting. There was one time funding, the House reduced it, this amendment would restore that funding.

#10. Affordable care act, the executive budget recommendation included \$2 million for a funding pool that would go out to agencies to help with some of those costs, the House had removed that pool and this amendment would restore that funding.

Chairman Holmberg - The Houses philosophy on taking that funding pool out, this is mandated by the affordable care act, but was their philosophy that it isn't mandated or that they can suck it up in their budgets?

Brady Larson - I wasn't involved with those discussions.

Pam Sharp, OMB - There really wasn't any discussion other than they wanted to take it out.

Senator Warner - Has anyone kept a running tally of places where we have made reference to approaching the contingency fund? Is there any sense of how much may be obligated already?

Chairman Holmberg - We received a document. The document shows that there was \$80,000 and change left over right now. A biennium ago we spent all the money to help flood issues at Valley City. Testimony attached # 2. Listing of proposed changes to Engrossed House Bill no. 1015. We passed some bills having to do with the issue of abortion and we need money to pay for law suites, in the Attorney General Budget there was \$400,000 added.

Senator Kilzer - That is in the bill and we had our first conference meeting yesterday.

Chairman Holmberg - We will obviously monitor that. Our subcommittee reduced it by \$300,000 to the executive budget in part to stimulate discussion in conference committee. Historically the \$700,000 appears to be a number that has worked. (14:13)

Senator Mathern - On a number of conference committees there is reference made to the pool of money to assist with salaries and housing costs for state employees in the west. I'm wondering if any of that is in this bill or where it is.

Chairman Holmberg - The money is in bills passed by the Senate. The House took all that money out and put a pool in OMB, which required cancelled checks, copies of leases, etc. they would have to have emergency commission involvement. That is not in this bill. (15:33)

Senator Kilzer - Probably the largest one of those in the HS budget, they have used a figure of \$500 per month; it is \$3.1M in the human service budget alone.

Senator Mathern - I think there is an assumption that someday this will be in OMB and you are really giving me a different impression. I haven't been fighting for getting them in the agency budgets thinking it would show up in your amendments here. If you don't like Representative Delzer's amendment I just wonder if it wouldn't be good if you had some amendments that essentially direct the agencies then in their budgets so that when we are in conference committees we are working in that regard.

Chairman Holmberg - Putting it in with the whole issue of compensation is something that has not been settled. There will be a package that will be offered and that would be addressed in that. So I wouldn't spend a lot of energy fighting for or against, let it move along.

Senator Carlisle - In HB 1017 there is \$200,000 for out west.

Chairman Holmberg - You would find that some of the suggestions are heavy and that the House has been pushing in their compensation plan is heavy on process.

Senator Robinson - I sat in on Vice Chairman Bowman Ag conference committee yesterday and the House made a point that they believe that with the number of apartment units coming on board, for example, 400 in Tioga alone. The pressure on rent will be subdued and you will see rents leveling off if not going down. We can't count on that happening and we have to be prepared because we are looking out 2 years here. (19:34)

Chairman Holmberg - One of the arguments has to do with how that money may be counted as a permanent salary increase. (19:53)

Vice Chairman Bowman - The language we used, we put it in a pool to use when it is necessary to use, not salary, for rent, we didn't want that to happen. It's not a part of the salary package.

Senator Warner - I think we need to recognize that the different funding streams where it comes from.

Chairman Holmberg - Representative Delzer had suggested \$4 million of general fund and \$4.5 million of special funds for this purpose. (22:01)

Senator Carlisle - I would move amend # 13.8144.04010. 2nd by Vice Chairman Bowman.

Brady Larson - A few other parts starting on page #2, there is a new section added regarding community service supervision grants. There is funding in the OMB budget for these grants and OMB just needs direction on how that funding needs to be allocated. (23:08)

Chairman Holmberg - If the language for corrections stays, would this be needed? Is this necessary if the other one passes?

Brady Larson - This would not be necessary based on the action of the House in SB 2015.

Senator Carlisle - I just want to comment about the Ag part of it. There is about 400 acres of irrigated Ag land. If that can be legislative intent in to the study fine, but rather than 900 acres, there is some support for the 400 acres. (25:08)

Chairman Holmberg - That might be a policy issue too.

Senator Wanzek - We had one conference committee so far on the department of correction budget and the issue did come up, you need to correlate these 2 I would think. (25:46)

Chairman Holmberg - From the standpoint of impact, if corrections passes first, does the language in here at all negate anything that is in the other bill or they both could pass and we'd spend \$50,000 to decide what should we do and we are spending \$200,000 to implement what we are going to do.

Brady Larson - You are correct in that both provisions could exist so you could be studying it in one bill and relocating it in another.

Vice Chairman Bowman - I think the study is important, if you listen to what the officer said she said I want to leave it there. I don't know if you can make a good decision until you have both parties sit down and agree because when one says we have to do this and the other one says leave it alone it seems to me like, are you just going to flip a coin, or are you going to have a good reason for doing it. I think we need to study it before we make that decision in the next legislative session.

Chairman Holmberg - That was the position the Senate had, until they put their language back in the corrections budget and then we had the bill that we were going to work on, we killed it yesterday because it just made sense. The issue will be around and they want to put aside \$12 million for that purpose.

Senator Mathern - I think we should leave section 5 in here, it makes it clear.

Chairman Holmberg - I have no problem with that.

Brady Larson - The new section 10, these are the guidelines for the state employee compensation adjustments. The funding is included in each agencies bill but this provides the guidelines on how that funding is to be used. (28:59)

Chairman Holmberg all in favor of the amendment say aye. It carried.

Senator O'Connell moved a Do Pass as Amended. 2nd by Senator Carlisle.

A Roll Call vote was taken. Yea: 13; Nay: 0; Absent: 0.

Chairman Holmberg will carry the bill.

The hearing was closed on HB 1015.

VR
 4/20/13
 1 of 6

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1015

Page 1, line 2, remove "to create and"

Page 1, remove line 3

Page 1, line 4, remove "political subdivisions submitting budget information to the state budget database website;"

Page 1, line 5, replace "section" with "sections"

Page 1, line 5, after "15.1-27-25" insert "and 48-10-02"

Page 1, line 6, after "royalties" insert "and the capitol building fund"

Page 1, line 7, after the first semicolon insert "to provide for a budget section report; and"

Page 1, line 7, after "for" insert "a"

Page 1, line 7, remove "studies; and to provide an effective"

Page 1, line 8, replace "date" with "study"

Page 1, remove lines 18 through 24

Page 2, replace lines 1 through 5 with:

"Salaries and wages	\$18,477,763	\$2,341,310	\$20,819,073
Operating expenses	13,755,254	991,534	14,746,788
Emergency commission contingency fund	700,000	0	700,000
Capital assets	5,190,143	4,760,922	9,951,065
Grants	430,000	0	430,000
Prairie public broadcasting	1,000,000	1,037,138	2,037,138
State student internship program	200,000	0	200,000
Health insurance pool - temporary employees	<u>0</u>	<u>2,000,000</u>	<u>2,000,000</u>
Total all funds	\$39,753,160	\$11,130,904	\$50,884,064
Less estimated income	<u>10,514,461</u>	<u>(734,162)</u>	<u>9,780,299</u>
Total general fund	\$29,238,699	\$11,865,066	\$41,103,765"

Page 2, replace line 13 with:

"Capitol complex parking lot repairs	800,000	4,000,000"
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Page 2, replace lines 19 through 21 with:

"Prairie public broadcasting	0	700,000
Health insurance pool	0	2,000,000
Land use study	0	50,000
Repair and cleaning capitol and j-wing	<u>0</u>	<u>1,200,000</u>
Total all funds	\$478,354,000	\$10,640,000
Less estimated income	<u>0</u>	<u>1,000,000</u>
Total general fund	\$478,354,000	\$9,640,000"

Page 2, after line 31, insert:

"SECTION 4. COMMUNITY SERVICE SUPERVISION GRANTS - FUNDING ALLOCATIONS - ADDITIONAL INCOME APPROPRIATION. The grants line item in section 1 of this Act includes the sum of \$375,000 from the general fund for the purpose of providing community service supervision grants. The office of management and budget shall distribute the grant funds on or before August first during each year of the biennium beginning July 1, 2013, and ending June 30, 2015, to North Dakota community corrections association regions as follows:

Barnes County	\$9,091
Bismarck (urban)	20,293
Bismarck (rural)	10,667
Devils Lake	10,747
Dickinson	12,683
Fargo	24,127
Grand Forks	19,803
Jamestown	13,883
Minot	16,194
Richland County	9,931
Rugby	11,657
Sargent County	8,086
Wells County	8,189
Williston	<u>12,149</u>
Total	\$187,500

Any moneys in the community service supervision fund are appropriated to the office of management and budget for distribution to community corrections association regions on or before August first of each year during the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 5. MISSOURI RIVER CORRECTIONAL CENTER STUDY - BUDGET SECTION REPORT. The operating expenses line item in section 1 of this Act includes the sum of \$50,000 from the general fund which must be used by the office of management and budget to contract for a land use study of the Missouri River correctional center site. The study must review options to relocate the center to another site, options to develop all or a portion of the current site into a day park, and options to continue agriculture activities on the current site. The study may not include a review of options to develop the land for residential, commercial, or industrial purposes. During the 2013-14 interim, the office of management and budget shall provide a report to the budget section regarding the results of the study."

Page 3, line 18, replace "8" with "10"

Page 3, line 19, remove "However, agencies may not transfer appropriation authority"

Page 3, line 20, remove "from the accrued leave payments line item under authority granted in this section."

Page 3, remove lines 22 through 30

Page 4, replace lines 1 through 31 with:

"SECTION 10. STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES. It is the intent of the sixty-third legislative assembly that 2013-15 biennium compensation adjustments for classified state employees are to be in a range

of one to four percent for employees below the market policy point and in a range of three to five percent based on documented performance. Increases for classified state employees are not to be the same percentage increase for each employee. The market and performance increases are to be given beginning with the month of July 2013, to be paid in August 2013, and beginning with the month of July 2014, to be paid in August 2014.

Probationary employees are not entitled to the market and performance increases. However, probationary employees may be given all or a portion of the increases effective in July, paid in August, or upon completion of probation, at the discretion of the appointing authority.

The office of management and budget shall develop guidelines for use by state agencies for providing compensation adjustments for regular classified employees. The guidelines must follow section 54-44.3-01.2, the compensation philosophy statement, and the compensation system initiatives included in House Bill No. 1031, as approved by the sixty-second legislative assembly.

Compensation adjustments for regular nonclassified state employees are to be in a range of three to five percent based on market and documented performance and are not to be the same percentage increase for each employee.

Employees whose overall documented performance level does not meet standards are not eligible for any salary increase.

SECTION 11. OFFICE OF MANAGEMENT AND BUDGET - TEMPORARY EMPLOYEE HEALTH INSURANCE POOL - TRANSFER AUTHORITY. The office of management and budget may transfer to each eligible agency appropriation authority from the health insurance pool - temporary employees line item contained in section 1 of this Act. Transfers may be made for the purpose of providing temporary employee health insurance adjustments for state employees, including institutions of higher education, determined to be full time based on guidelines developed by the office of management and budget in accordance with the shared responsibility provisions of the Affordable Care Act for the biennium beginning July 1, 2013, and ending June 30, 2015."

Page 6, remove lines 9 through 31

Page 7, replace lines 1 through 13 with:

"SECTION 13. AMENDMENT. Section 48-10-02 of the North Dakota Century Code is amended and reenacted as follows:

48-10-02. Capitol building fund to be administered by the capitol grounds planning commission - Continuing appropriation - Procedure for expenditure of certain funds.

The capitol grounds planning commission shall have general powers to superintend the administration of the capitol building fund, its interest and income fund, and its investments and properties. It may cause any lands now held in such funds to be sold at market value, direct the conversion of any securities now held by such funds to cash, approve expenditures from such funds subject to law and legislative appropriations, and to do all other things necessary to carry out the intent and purposes of this section. The board of university and school lands or its designee, on the commission's behalf, shall see to the investment and management of the capitol

building fund and its interest and income fund and shall account to the commission concerning these funds at the commission's request.

Provided further, all moneys and other property in the capitol building fund, except as otherwise appropriated, are hereby dedicated and reserved to the exclusive purpose of the construction of an addition to the legislative wing of the state capitol building, and the capitol grounds planning commission shall take necessary steps to accumulate and conserve the money and property in the capitol building fund for such purpose.

The commission may, during any biennium, expend from the interest and income fund of the capitol building fund a sum not to exceed fifty percent of the unencumbered balance on the first day of any biennium, and such amount is hereby appropriated to the capitol grounds planning commission. The expenditure may be made, after consideration of the capitol grounds master plan, for projects or planning but shall may not exceed one hundred two hundred fifty thousand dollars per biennium. The expenditure may only be made upon approval by two-thirds of the total membership of the commission. The expenditure must be made upon a voucher, or vouchers, prepared by the office of management and budget at the direction of the commission."

Page 7, remove lines 20 and 21

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1015 - Office of Management and Budget - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$20,904,344	\$19,719,302	\$1,099,771	\$20,819,073
Operating expenses	14,696,788	14,226,788	520,000	14,746,788
Capital assets	9,796,065	5,796,065	4,155,000	9,951,065
Grants	430,000	430,000		430,000
Emergency Commission contingency fund	700,000	1,000,000	(300,000)	700,000
Prairie Public Broadcasting	2,037,138	1,537,138	500,000	2,037,138
State student internship program	200,000	200,000		200,000
Health insurance pool - temp employees	2,000,000		2,000,000	2,000,000
Accrued leave payments		570,412	(570,412)	
Transfer to property tax fund		373,210,000		373,210,000
	<u>\$50,764,335</u>	<u>\$416,689,705</u>	<u>\$7,404,359</u>	<u>\$424,094,064</u>
Total all funds				
Less estimated income	<u>9,589,395</u>	<u>8,669,598</u>	<u>1,110,701</u>	<u>9,780,299</u>
	<u>\$41,174,940</u>	<u>\$408,020,107</u>	<u>\$6,293,658</u>	<u>\$414,313,765</u>
General fund				
	131.50	130.50	0.00	130.50
FTE				

Department No. 110 - Office of Management and Budget - Detail of Senate Changes

	Restores Executive Compensation Package¹	Removes Separate Line Item for Accrued Leave Payments²	Adjusts Line Item Funding for Central Services Operations³	Restores Funding to Contract with Auditors⁴	Adds Funding for Land Use Study⁵	Removes Funding for State Database Website⁶
Salaries and wages	\$654,359	\$570,412	(\$125,000)			
Operating expenses			(30,000)	600,000	50,000	(100,000)
Capital assets			155,000			
Grants						
Emergency Commission						

5 of 6

contingency fund						
Prairie Public Broadcasting						
State student internship program						
Health insurance pool - temp employees						
Accrued leave payments		(570,412)				
Transfer to property tax fund						
Total all funds	\$654,359	\$0	\$0	\$600,000	\$50,000	(\$100,000)
Less estimated income	110,701	0	0	0	0	0
General fund	\$543,658	\$0	\$0	\$600,000	\$50,000	(\$100,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Restores Funding for Parking Lot Project ⁷	Reduces Funding for State Contingencies ⁸	Restores One-Time Funding for Prairie Public Broadcasting ⁹	Restores Health Insurance Pool for Temporary Employees ¹⁰	Total Senate Changes
Salaries and wages					\$1,099,771
Operating expenses					520,000
Capital assets	4,000,000				4,155,000
Grants					
Emergency Commission contingency fund		(300,000)			(300,000)
Prairie Public Broadcasting			500,000		500,000
State student internship program					
Health insurance pool - temp employees				2,000,000	2,000,000
Accrued leave payments					(570,412)
Transfer to property tax fund					
Total all funds	\$4,000,000	(\$300,000)	\$500,000	\$2,000,000	\$7,404,359
Less estimated income	0	0	0	1,000,000	1,110,701
General fund	\$4,000,000	(\$300,000)	\$500,000	\$1,000,000	\$6,293,658
FTE	0.00	0.00	0.00	0.00	0.00

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

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

³ Special funds authority added by the House for Central Services operations is adjusted among line items to reflect anticipated expenses.

⁴ Funding removed by the House to allow the Office of Management and Budget to contract with external auditors for certain audits is restored.

⁵ One-time funding is added for the Office of Management and Budget to contract for a land use study of the Missouri River Correctional Center site. A section is also added to the bill to provide guidelines for the study and to provide for a report to the Budget Section on the study.

⁶ Funding added by the House for costs associated with the implementation of a political subdivision-reporting component for the state database website is removed.

⁷ One-time funding from the general fund removed by the House for Capitol grounds parking lot projects is restored.

⁸ Funding for the state contingency fund is reduced from \$1,000,000 to \$700,000, the same amount as provided in the executive budget recommendation.

⁹ One-time funding of \$500,000 removed by the House for Prairie Public Broadcasting equipment upgrades is restored to provide total one-time funding of \$700,000.

¹⁰ Funding removed by the House for a health insurance pool for temporary employees is restored. A section is added to allow the Office of Management and Budget to transfer funds from the pool to other state agencies.

This amendment also:

- Adds a section to provide guidelines regarding the allocation of community service supervision grants and provides that any funding available in the community service supervision fund is appropriated to the Office of Management and Budget for distribution to community corrections association regions.
- Amends Section 48-10-02 to increase the continuing appropriation provided from the Capitol building fund to the Capitol Grounds Planning Commission from \$100,000 per biennium to \$250,000 per biennium.
- Restores state employee compensation guidelines to the executive budget recommendation. A section added by the House regarding the use of funding in the accrued leave payments line item is removed.
- Removes Section 11 of the bill which enacts a new statutory section for a political subdivision-reporting component to the state database website. Section 15 of the bill, which provided an effective date for the new statutory section, is also removed.
- Removes Sections 12 and 13 of the bill, which provided for studies of state agency facility needs and state employee compensation.

Date: 4-19-13

Roll Call Vote # 1

2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 1015

Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number 13.8144.04010

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

Brady said there was a spelling error on the amendment

Motion Made By Carlisle Seconded By Bowman

New one coming

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:

voice vote Carried

Date: 4-19-13

Roll Call Vote # 2

**2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES**

BILL/RESOLUTION NO. 1015

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 O'Connell Seconded By Carlisle

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 _____

Absent _____

Floor Assignment Holmberg

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

REPORT OF STANDING COMMITTEE

HB 1015, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1015 was placed on the Sixth order on the calendar.

Page 1, line 2, remove "to create and"

Page 1, remove line 3

Page 1, line 4, remove "political subdivisions submitting budget information to the state budget database website;"

Page 1, line 5, replace "section" with "sections"

Page 1, line 5, after "15.1-27-25" insert "and 48-10-02"

Page 1, line 6, after "royalties" insert "and the capitol building fund"

Page 1, line 7, after the first semicolon insert "to provide for a budget section report; and"

Page 1, line 7, after "for" insert "a"

Page 1, line 7, remove "studies; and to provide an effective"

Page 1, line 8, replace "date" with "study"

Page 1, remove lines 18 through 24

Page 2, replace lines 1 through 5 with:

"Salaries and wages	\$18,477,763	\$2,341,310	\$20,819,073
Operating expenses	13,755,254	991,534	14,746,788
Emergency commission contingency fund	700,000	0	700,000
Capital assets	5,190,143	4,760,922	9,951,065
Grants	430,000	0	430,000
Prairie public broadcasting	1,000,000	1,037,138	2,037,138
State student internship program	200,000	0	200,000
Health insurance pool - temporary employees	<u>0</u>	<u>2,000,000</u>	<u>2,000,000</u>
Total all funds	\$39,753,160	\$11,130,904	\$50,884,064
Less estimated income	<u>10,514,461</u>	<u>(734,162)</u>	<u>9,780,299</u>
Total general fund	\$29,238,699	\$11,865,066	\$41,103,765"

Page 2, replace line 13 with:

"Capitol complex parking lot repairs	800,000	4,000,000"
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Page 2, replace lines 19 through 21 with:

"Prairie public broadcasting	0	700,000
Health insurance pool	0	2,000,000
Land use study	0	50,000
Repair and cleaning capitol and j-wing	<u>0</u>	<u>1,200,000</u>
Total all funds	\$478,354,000	\$10,640,000
Less estimated income	<u>0</u>	<u>1,000,000</u>
Total general fund	\$478,354,000	\$9,640,000"

Page 2, after line 31, insert:

"SECTION 4. COMMUNITY SERVICE SUPERVISION GRANTS - FUNDING ALLOCATIONS - ADDITIONAL INCOME APPROPRIATION. The grants line item in section 1 of this Act includes the sum of \$375,000 from the general fund for the purpose of providing community service supervision grants. The office of management and budget shall distribute the grant funds on or before August first during each year of the biennium beginning July 1, 2013, and ending June 30, 2015, to North Dakota community corrections association regions as follows:

Barnes County	\$9,091
Bismarck (urban)	20,293
Bismarck (rural)	10,667
Devils Lake	10,747
Dickinson	12,683
Fargo	24,127
Grand Forks	19,803
Jamestown	13,883
Minot	16,194
Richland County	9,931
Rugby	11,657
Sargent County	8,086
Wells County	8,189
Williston	<u>12,149</u>
Total	\$187,500

Any moneys in the community service supervision fund are appropriated to the office of management and budget for distribution to community corrections association regions on or before August first of each year during the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 5. MISSOURI RIVER CORRECTIONAL CENTER STUDY - BUDGET SECTION REPORT. The operating expenses line item in section 1 of this Act includes the sum of \$50,000 from the general fund which must be used by the office of management and budget to contract for a land use study of the Missouri River correctional center site. The study must review options to relocate the center to another site, options to develop all or a portion of the current site into a day park, and options to continue agriculture activities on the current site. The study may not include a review of options to develop the land for residential, commercial, or industrial purposes. During the 2013-14 interim, the office of management and budget shall provide a report to the budget section regarding the results of the study."

Page 3, line 18, replace "8" with "10"

Page 3, line 19, remove "However, agencies may not transfer appropriation authority"

Page 3, line 20, remove "from the accrued leave payments line item under authority granted in this section."

Page 3, remove lines 22 through 30

Page 4, replace lines 1 through 31 with:

"SECTION 10. STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES. It is the intent of the sixty-third legislative assembly that 2013-15 biennium compensation adjustments for classified state employees are to be in a range of one to four percent for employees below the market policy point and in a range of three to five percent based on documented performance. Increases for classified state employees are not to be the same percentage increase for each employee. The market and performance increases are to be given beginning with the month of July 2013, to be paid in August 2013, and beginning with the month of July 2014, to be paid in August 2014.

Probationary employees are not entitled to the market and performance increases. However, probationary employees may be given all or a portion of the increases effective in July, paid in August, or upon completion of probation, at the discretion of the appointing authority.

The office of management and budget shall develop guidelines for use by state agencies for providing compensation adjustments for regular classified employees. The guidelines must follow section 54-44.3-01.2, the compensation philosophy statement, and the compensation system initiatives included in House Bill No. 1031, as approved by the sixty-second legislative assembly.

Compensation adjustments for regular nonclassified state employees are to be in a range of three to five percent based on market and documented performance and are not to be the same percentage increase for each employee.

Employees whose overall documented performance level does not meet standards are not eligible for any salary increase.

SECTION 11. OFFICE OF MANAGEMENT AND BUDGET - TEMPORARY EMPLOYEE HEALTH INSURANCE POOL - TRANSFER AUTHORITY. The office of management and budget may transfer to each eligible agency appropriation authority from the health insurance pool - temporary employees line item contained in section 1 of this Act. Transfers may be made for the purpose of providing temporary employee health insurance adjustments for state employees, including institutions of higher education, determined to be full time based on guidelines developed by the office of management and budget in accordance with the shared responsibility provisions of the Affordable Care Act for the biennium beginning July 1, 2013, and ending June 30, 2015."

Page 6, remove lines 9 through 31

Page 7, replace lines 1 through 13 with:

"SECTION 13. AMENDMENT. Section 48-10-02 of the North Dakota Century Code is amended and reenacted as follows:

48-10-02. Capitol building fund to be administered by the capitol grounds planning commission - Continuing appropriation - Procedure for expenditure of certain funds.

The capitol grounds planning commission shall have general powers to superintend the administration of the capitol building fund, its interest and income fund, and its investments and properties. It may cause any lands now held in such funds to be sold at market value, direct the conversion of any securities now held by such funds to cash, approve expenditures from such funds subject to law and legislative appropriations, and to do all other things necessary to carry out the intent and purposes of this section. The board of university and school lands or its designee, on the commission's behalf, shall see to the investment and management of the capitol building fund and its interest and income fund and shall account to the commission concerning these funds at the commission's request.

Provided further, all moneys and other property in the capitol building fund, except as otherwise appropriated, are hereby dedicated and reserved to the exclusive purpose of the construction of an addition to the legislative wing of the state capitol building, and the capitol grounds planning commission shall take necessary steps to accumulate and conserve the money and property in the capitol building fund for such purpose.

The commission may, during any biennium, expend from the interest and income fund of the capitol building fund a sum not to exceed fifty percent of the unencumbered balance on the first day of any biennium, and such amount is hereby

appropriated to the capitol grounds planning commission. The expenditure may be made, after consideration of the capitol grounds master plan, for projects or planning but shall ~~may~~ not exceed ~~one hundred two hundred fifty~~ thousand dollars per biennium. The expenditure may only be made upon approval by two-thirds of the total membership of the commission. The expenditure must be made upon a voucher, or vouchers, prepared by the office of management and budget at the direction of the commission."

Page 7, remove lines 20 and 21

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1015 - Office of Management and Budget - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$20,904,344	\$19,719,302	\$1,099,771	\$20,819,073
Operating expenses	14,696,788	14,226,788	520,000	14,746,788
Capital assets	9,796,065	5,796,065	4,155,000	9,951,065
Grants	430,000	430,000		430,000
Emergency Commission contingency fund	700,000	1,000,000	(300,000)	700,000
Prairie Public Broadcasting	2,037,138	1,537,138	500,000	2,037,138
State student internship program	200,000	200,000		200,000
Health insurance pool - temp employees	2,000,000		2,000,000	2,000,000
Accrued leave payments		570,412	(570,412)	
Transfer to property tax fund		373,210,000		373,210,000
Total all funds	\$50,764,335	\$416,689,705	\$7,404,359	\$424,094,064
Less estimated income	9,589,395	8,669,598	1,110,701	9,780,299
General fund	\$41,174,940	\$408,020,107	\$6,293,658	\$414,313,765
FTE	131.50	130.50	0.00	130.50

Department No. 110 - Office of Management and Budget - Detail of Senate Changes

	Restores Executive Compensation Package ¹	Removes Separate Line Item for Accrued Leave Payments ²	Adjusts Line Item Funding for Central Services Operations ³	Restores Funding to Contract with Auditors ⁴	Adds Funding for Land Use Study ⁵	Removes Funding for State Database Website ⁶
Salaries and wages	\$654,359	\$570,412	(\$125,000)			
Operating expenses			(30,000)	600,000	50,000	(100,000)
Capital assets			155,000			
Grants						
Emergency Commission contingency fund						
Prairie Public Broadcasting						
State student internship program						
Health insurance pool - temp employees						
Accrued leave payments		(570,412)				
Transfer to property tax fund						
Total all funds	\$654,359	\$0	\$0	\$600,000	\$50,000	(\$100,000)
Less estimated income	110,701	0	0	0	0	0
General fund	\$543,658	\$0	\$0	\$600,000	\$50,000	(\$100,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Salaries and wages	Restores Funding for Parking Lot Project ⁷	Reduces Funding for State Contingencies ⁸	Restores One-Time Funding for Prairie Public Broadcasting ⁹	Restores Health Insurance Pool for Temporary Employees ¹⁰	Total Senate Changes \$1,099,771 520,000
Operating expenses					

Capital assets	4,000,000				4,155,000
Grants					
Emergency Commission contingency fund		(300,000)			(300,000)
Prairie Public Broadcasting State student internship program			500,000		500,000
Health insurance pool - temp employees				2,000,000	2,000,000
Accrued leave payments					(570,412)
Transfer to property tax fund					
Total all funds	\$4,000,000	(\$300,000)	\$500,000	\$2,000,000	\$7,404,359
Less estimated income	0	0	0	1,000,000	1,110,701
General fund	\$4,000,000	(\$300,000)	\$500,000	\$1,000,000	\$6,293,658
FTE	0.00	0.00	0.00	0.00	0.00

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

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

³ Special funds authority added by the House for Central Services operations is adjusted among line items to reflect anticipated expenses.

⁴ Funding removed by the House to allow the Office of Management and Budget to contract with external auditors for certain audits is restored.

⁵ One-time funding is added for the Office of Management and Budget to contract for a land use study of the Missouri River Correctional Center site. A section is also added to the bill to provide guidelines for the study and to provide for a report to the Budget Section on the study.

⁶ Funding added by the House for costs associated with the implementation of a political subdivision-reporting component for the state database website is removed.

⁷ One-time funding from the general fund removed by the House for Capitol grounds parking lot projects is restored.

⁸ Funding for the state contingency fund is reduced from \$1,000,000 to \$700,000, the same amount as provided in the executive budget recommendation.

⁹ One-time funding of \$500,000 removed by the House for Prairie Public Broadcasting equipment upgrades is restored to provide total one-time funding of \$700,000.

¹⁰ Funding removed by the House for a health insurance pool for temporary employees is restored. A section is added to allow the Office of Management and Budget to transfer funds from the pool to other state agencies.

This amendment also:

- Adds a section to provide guidelines regarding the allocation of community service supervision grants and provides that any funding available in the community service supervision fund is appropriated to the Office of Management and Budget for distribution to community corrections association regions.
- Amends Section 48-10-02 to increase the continuing appropriation provided from the Capitol building fund to the Capitol Grounds Planning Commission from \$100,000 per biennium to \$250,000 per biennium.
- Restores state employee compensation guidelines to the executive budget recommendation. A section added by the House regarding the use of funding in the

- accrued leave payments line item is removed.
- Removes Section 11 of the bill which enacts a new statutory section for a political subdivision-reporting component to the state database website. Section 15 of the bill, which provided an effective date for the new statutory section, is also removed.
- Removes Sections 12 and 13 of the bill, which provided for studies of state agency facility needs and state employee compensation.

2013 CONFERENCE COMMITTEE

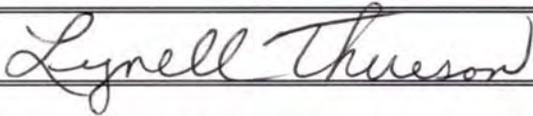
HB 1015

2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Committee Roughrider Room, State Capitol

HB 1015
4/27/13
Job 21582

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 various divisions under the supervision of the director of the office of management and budget; to amend and reenact sections 15.1-27-25 and 48-10-02 of the North Dakota Century Code, relating to distributions of royalties and the capitol building fund; to provide an exemption; to provide for various transfers; to provide legislative intent; to provide for a budget section report; and to provide for a legislative management study.

Minutes:

Attachment 1

Chairman Carlson: Called the conference committee to order and all members were present. We will be going through differences that the Senate changed. Discussion to follow that.

Brady Larson, Legislative Council: Went over LC memo 13.9688.02000

03:40 Senator Holmberg: The land use study on Missouri River Correctional Center \$50,000 is redundant; it is also in SB 2015. It is our understanding that once they are done with that and have passed the study there, there would be no need for this. Also, on the contingency fund, the issue we had was the lawsuits that may involve around some abortion bills we had passed but was additional funding put into the Attorney Generals budget.

Chairman Carlson: I didn't sit through all the hearings on this budget.

Representative Delzer: Government Ops handled this budget; there was language in the auditor's office and situations there that made the House didn't think it was necessary at all.

6:30 Chairman Carlson: When would that have to take place? Obama care isn't even fully implemented.

Pam Sharp, OMB: That requirement takes place during the next biennium, in 2014 I believe. The amounts we included take that into account.

Chairman Carlson: Maybe at some point we should have a discussion about the vast amount of money we're funding in these budgets for temporary employees. There is \$61M of temporary salaries throughout these budgets. I appreciate that fact that you said this was meshed in time to when it would be required to put it on.

Representative Delzer: I think we should also have the discussion about how many are full time temporaries and how many aren't.

Chairman Carlson: We will check on that and bring back some discussion points on those from our perspective.

Representative Delzer: And for Prairie Public Broadcasting there's \$1.135 for operating besides this. This was to rebuild some of their buildings and the House appropriations didn't feel it was proper to be spending state money on that issue.

Sharp: It's not exactly remodeling money. It's match for federal dollars; it's a variety of projects of which total about \$4M going towards those projects for Prairie Public.

8:44 Representative Delzer: Again, the House's position was we should not be spending state tax dollars on that issue. If they want to raise the money for the match, that's entirely up to them.

Chairman Carlson: The next on the list, the \$4M.

Senator Holmberg: That was to complete the parking lot and do some work close to the Capitol, particularly the back part. We thought it would be feasible to complete the entire parking lot system and get it behind us. We put the money back in that was in the executive budget.

Representative Delzer: While we don't totally disagree with you, the House wanted to have the discussion about the plans and designs of what they're doing. We need to get ahold of those plans and designs.

Chairman Carlson: Especially when it concerns the parking lot on the west side of the building and what their plans were there.

Senator Holmberg: They left the Legislator parking lot alone.

Representative Onstad: Those designs are completed and ready to look at.

Chairman Carlson: We want to see those at the next meeting. The last one is the state agency energy impact funding pool.

11:24 Representative Delzer: That's taking the money out of each of the agencies, that's the pool for housing and retention in the oil patch.

Chairman Carlson: And they're putting it in here? I'm okay with that.

Senator Holmberg: One of the points I think we should consider is we are certainly looking at the ending general fund balance. In this money there's \$4.5M in special funds and another between \$1M and \$1.5M of special funds that we may want to consider the committee restoring. It's about \$2M less.

Chairman Carlson: We can put that on the list to discuss.

Representative Delzer: We certainly can, but I think we're looking at two different numbers as to what constitutes the pool.

Chairman Carlson: If you have any information you have on these topics and you have a reason to justify it being plus or minus then I understand why we did it, I didn't remember we got that far along before this bill went out.

13:15 Larson: Went through LC memo, beginning bottom half of page 1.

18:10 Representative Delzer: Wasn't that something that was in the executive budget and we took it back down to \$100,000 or was that a bill we were dealing with that would have done that?

Larson: It was not included in the executive budget; it might have been in a separate bill.

Representative Delzer: When I look at the Senate's version a section says to remove funding for state database website. I don't see that on your list.

Larson: It should have been included in the first section, but was inadvertently left off.

Representative Delzer: When we put in the data version we funded that. It had to do with websites and the possibility of locals sending their stuff to the state and have the state put it on the website.

Larson: Yes, it relates to section 11 under the House version.

Senator Holmberg: We didn't get our arms around that completely. We had a sense that it was too early. We removed it so we could have that discussion here.

19:52 Representative Onstad: I believe the language on the land use study in SB 2015 expands that. I think that's the difference in the dollar amount.

Senator Holmberg: We clearly felt we didn't need both, but we wanted something on the table at the end of the session so that we could determine if we like what's in correction, take this out.

Representative Delzer: My understanding of our pay package agreement was I thought our study on the compensation and classification was still in there. It's not a major deal breaker, but I think we should have some discussion.

20:54 Senator Schneider: How would that study differ from the Hay study?

Representative Delzer: The study was put in to find out whether or not the Hay study was the way we wanted to continue. This would purely be a Legislative Management study. Some states fund their pay package simply by a dollar amount and expect their managers to manage within that.

Senator Schneider: So this would be an in-house study?

Chairman Carlson: Yes, the intention was to do it in-house. We have all kinds of data to look at.

Representative Delzer: More about the whole process than any particular thing.

Chairman Carlson: We're running out of time, but next time, if you have amendments to the bill, if there's things that are transpiring between now and then that have come up you want to try and run again, bring those next time. We'll discuss our differences, get more information from our committees, and we'll start dealing with additional items that would go on the bill.

Senator Holmberg: Your intention would be that has happened in the past, we would make sure other things were pretty well through the system before putting this to bed.

Chairman Carlson: Absolutely. Also, have things in written form, rather than verbal.

Chairman Carlson adjourned the meeting.

2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Committee Roughrider Room, State Capitol

HB1015
May 2, 2013
Job 21671

Conference Committee

Committee Clerk Signature

Meredith Traeholt

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; to amend and reenact sections 15.1-27-25 and 48-10-02 of the North Dakota Century Code, relating to distributions of royalties and the capitol building fund; to provide an exemption; to provide for various transfers; to provide legislative intent; to provide for a budget section report; and to provide for a legislative management study.

Minutes:

You may make reference to "attached testimony."

Chairman Carlson: Opened the conference committee on HB1015. All members were present. Our discussion today will be on proposed amendments to the bill.

Senator Wardner: I'm doing this for Senator Hogue; introduced amendment .04029.

Chairman Carlson: Any questions? We'll call this amendment #1.

04:38

Senator Wardner: Explained amendment #2, .04028. Explained amendment #3, .04024, from Senator Sitte.

07:37

Chairman Carlson: There's a reason why the Fiscal Note went away (on SB 2152); instead of buying a program for five people, they would do them by hand, and they wanted a higher fee to cover that service.

08:08

Senator Wardner: Explained amendment #4, .04039, from Senator Lyson. Explained amendment #5, .04043.

10:50

Representative Delzer: This doesn't do anything to the impact grant.

Senator Wardner: That's correct. Continued on to amendment #6 minute 11:25, .04041. I have one more, but I don't have amendments down here for it; I'll bring it tomorrow, it has to do with social services.

Chairman Carlson: That's fine. We won't even number that one yet.

13:38

Representative Todd Porter: Explained amendment #7, .04033, related to SB2233. Explained amendment #8, .04034, related to HB1327.

17:20

Chairman Carlson: I'm assuming all these bills are passed and signed already?

Representative Porter: That is correct. Explained amendment #9, .04027.

20:22

Representative Onstad: I have two amendments that deal with budget stabilization. Explained amendment #10, .04016. Explained amendment #11, .04015.

23:45

Senator Schneider: Explained amendment #12, .04023, from Senator O'Connell. Explained amendment #13, .04038, from Senator Marcellais.

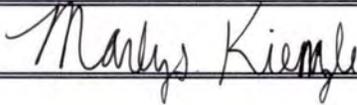
Chairman Carlson: We'll break for the Senate to go to the floor, and reconvene when they are done.

2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Committee Roughrider Room, State Capitol

HB1015
May 2, 2013
21672

Conference Committee



To defray the expenses of various divisions

Minutes:

attached testimony #1-6

Chairman Carlson: Opened the conference committee

Pam Sharpe: OMB: 0:53 - 1:59 Explained amendment 18.8144.04032 (Attachment1) It looks like there is a contingent effect date based on the ending funds balance. My understanding of the amendments is that it would do the same thing as the second year would have done in the original plan 2059 with the funding going through the OMB.

Senator Schneider: The day care tax credit, and the deduction for a credit could we consider the adoption of that? I am in the process of drafting that right now.

Chairman Carlson: I have one here from the Secretary of the State this came down from Secretary Jaeger. I said I would bring it forward.

Pam Sharpe: 3:30 -4:36 Explained amendments 13.8144.04045 (Attachment 2).

Chairman Carlson: Is that standard operating procedure?

Pam Sharpe: The social security number was ----- in 2011. The way this system is built it would allow the social security number or ID number and also to search by the number to make it more valid.

Chairman Carlson: The last H was inadvertently left out?

Pam Sharpe: That H was put in there but it was the wrong version what it is doing is adding the three sections. The third version is for after July 1 of 2013. That is the section we need because our system won't be ready until 2015.

Chairman Carlson: That will be number 15 in your file.

(6:49) Chairman Carlson: You can label this number 16 in the file. Explained amendment 13.8144.04030 (Attachment 3). This has to do with when the budgets are prepared and filed and due to be submitted to the Office of Management and Budget. If you look at the second page of the amendment it says that the director of the budget may extend the filing

date by up to 60 days. The attempt is to try to get this information so we can review it sooner.

(8:16) Senator Wardner: This is number 17. Explained amendment 13.8144.04047 (Attachment 4). This has to do with the state taking over the county social services. The Dept. of Human Services would work on a transfer program. I was told you don't need to study. You need to do the program. In Section 16 it does need an appropriation from the general fund.

Chairman Carlson: I think we did have a different study language.

(9:56)

Chairman Carlson: Explained amendment 13.8144.04004 (Attachment 5). This has to do with the racing fund. This is number 18.

Senator Onstad: When it asks for the additional horse races, they are structured around when they are available.

Chairman Carlson: They feel that they have the availability of the horses and the races and the various people to bring their horses in.

Chairman Carlson: We have one other issue that came up from our folks from Devils Lake. We'll explain what it is.

(13:54)

Representative Delzer: A couple of the House members came to us and it came from HB1012. In Ramsey County they don't have the land mass on the reservation so we give them some extra money. We have state law that if they're over 10 mills over the statewide average----- (inaudible)

(15:41) Chairman Carlson: The county commissioner came in and said they needed \$70,000 and the house put \$150,000.00 in and the senate put another \$150,000.00 the commissioners looked at it and said they would need another 300 mills to put them down around 31-32 mills comparing to the state which is 17 or whatever it is. We don't necessarily agree with putting any more money in but should look at language that would look at how the department of human services should they have extra money after a year could go and match the \$300,000. They did more research and found out their services are way more than that cause of the proximity of the reservation. We'll try and bring some language to that working with Maggie at the Human Services to craft things to make that work because the law binds her from not helping those folks.

(16:15) Representative Delzer: In HB1358 there's \$9.68 million that went out for critical care in the hospitals. Part of the issue with that \$9.6 million is we would like to use some of the money for licensing software that would help these critical care access hospitals statewide.

(17:32) Chairman Carlson: He has worked with Maggie to try and get the language right so that would be an eligible opportunity for them to use part of that and it makes sense

because that allows them to know who those people are that now they can't even track them. In the end it pays for itself.

(17:55) Representative Delzer: The money exists in HB1358.

Chairman Carlson: There is no new money it's just the language.

(18:03) Representative Onstad: All the dollars are setting with the impact grants concerning HB1358.

(18:46) Representative Delzer: Part of what we did in HB1358 is that we listed the assets so they could use that for staffing or whatever.

(19:36) Representative Onstad: It's clearly in statute what the guidelines are and I don't know if that corrects what's clearly in statute. Over the years people have been rejected from grants.

(20:24) Chairman Carlson: We have a whole packet of amendments and I don't know if you want to move them. Do you want to go through any part of the differences in appropriations or anything and clear off some of the things we can?

(21:00) Senator Wardner: I think we should start and go through and see where we agree and don't agree.

(21:09) Chairman Carlson: We will walk through the differences between the two and eliminate some of these things and get them resolved that would help a lot. Starting at the top....they went through the changes to HB1015. If you have any concerns bring it up or we will assume that's the way we are going to finish the product.

(22:23) Representative Delzer: When we look at this on the House side; I certainly don't believe that we need 600,000 in the Executive Budget, I don't know if we want to compromise in the middle but on the House position we have a real hard time accepting the whole 600,000 back in there.

(23:00) Chairman Carlson: I'll make a proposal out there for 300,000. From the house perspective we would comfortable with 300.

(23:13) Senator Holmberg: I will support that.

(23:16) Chairman Carlson: Continued through the changes...total state contingency fund the Executive was 700,000. The House was a million the Senate was back to 700,000.

(23:36) Representative Delzer: The Houses position was that we needed a little more money.

(23:57) Senator Holmberg: We had them pull the records the last 4 years and we found that they had 87,000 left, the time before they had 500,000 left and the time before they spend it all the week before the biennium.

(24:36) Representative Delzer: If we ran out of contingency money where would we go?

(24:44) Pam Sharp: If we ran out of contingency money then we would have to deal with those issues before the legislative session began again if we spent more than the money given in 18 months. It has never happened before but we never know if it could happen.

(25:20) Chairman Carlson: I was having trouble understanding the health insurance pool for temporary employees. It was explained to me as something caused by the Affordable Care Act. If it's something we've got to do, it's something we've got to do.

(25:37) Representative Delzer: The only concern I would have there is that we need to take a good hard look at temporaries. We have to insure them because they're working twenty hours. We want to make sure that any money that isn't used would be turned back so that it can be used elsewhere.

(26:07) Chairman Carlson: Is there a line item transfer capability in the OMB budget? Do they have the authority to not turn back money?

(26:16) Pam Sharp: It's in a special line. We would have to turn back the general fund money. I want to point out this is for all state government and for higher education as well.

Chairman Carlson: How many weekly hours get into health benefits?

Pam Sharp: It's 30.

Chairman Carlson: I thought it was just over half time.

Pam Sharp: For the purpose of the bill, it's 30 hours. For the purposes of regular (audio unclear) it is 20.

(26:56) Representative Delzer: Then they should be covered elsewhere. We're apparently covering anyone who is working over twenty.

Pam Sharp: Temps are not automatically covered by health insurance. To be considered part to half of an FTE, you have to work twenty hours. Temps are not covered by health insurance. This would require that if there were a temporary employee that worked thirty hours a week, they would have to be covered by health insurance.

(27:29) Chairman Carlson: We wouldn't call them ½ a FTE?

Pam Sharp: They are not FTEs.

(27:37) Representative Delzer: What is the definition of temp? How long could they be a temp and at what hours?

Pam Sharp: There are no criteria how long someone can be a temp. They just do not fill at FTE position. They just continue to work until they are no longer needed.

(28:00) Representative Onstad: Is this allowing that temps and full-time temps to be covered. A full-time temp really has the funding regular, doesn't it?

(28:19) Pam Sharp: In some agencies, they do employ full time temps where they work 40 hours a week, but they do not have a status of an FTE so they do not earn benefits and generally do not have health insurance.

(28:32) Chairman Carlson: Under this case with the ACA, you'd have to give that to them, for a full-time temp?

Pam Sharp: You probably would have to give that to them.

(28:43) Representative Delzer: It would not be at the same level as a state employee. I guess it would be at the minimum level for the Affordable Healthcare Act. What level would they receive?

(29:00) Pam Sharp: What level of health insurance would they get? They would get a single plan, and we could charge them up to 9.5% of their salary to reimburse us.

(29:19) Chairman Carlson: It's kind of forced by the law to do that. Then we'll go on to one-time funding for Prairie Public Broadcasting. Reviewed numbers from the House and the Senate.

(29:38) Representative Delzer: We also have in the budget \$1.35 million for operating. Other funds were for projects or renovation. The House has a lot of concern about starting what could be a continuing or promulgating thing for Prairie Public that we think they should be doing on their own. We reduced it by \$500,000.

(30:18) Senator Holmberg: Some of this funding is used for matching. We have a longstanding relationship with Prairie Public Television. He elaborated with examples. I would have difficulty voting to remove anything from Prairie Public.

(30:49) Chairman Carlson: I want you to put the number 400 on the sidebar there and think about it overnight.

Senator Holmberg: Add the 300 we just took out.

Chairman Carlson: I think you misunderstood my comment.

Senator Holmberg: Each one is separate but equal.

(31:12) Chairman Carlson: Then the additional special funds authority for central services operation. Asked for clarification regarding the executive budget and what is shown.

(31:24) Senator Holmberg: (Faint audio.) It pertained to the Land Department.

(31:46) Unidentified speaker: It relates to central services operations, such as surplus property. It's just special fund authority to accept mainly federal property and to sell it to other state agencies.

(32:08) Chairman Carlson: One-time funding for capitol grounds parking lot project, \$4 million. I have a drawing that was given to me, and it shows there would be some renovation about halfway into our parking lot. It doesn't go all the way through it but about to the center of the entry doors on the west end. It would remove a number of parking stalls eventually. I am okay with them doing everything north of the building, but at this point until there is further discussion I would not be comfortable with them doing anything on our west parking lot.

(32:48) Senator Holmberg: We were led to believe that this would not impact parking spaces on the west side.

(33:24) John Boyle, Director of the Facility Management: (Attachment 6) This project would not have anything to do with the legislative lot.

(33:39) Chairman Carlson: The plans in the future?

(33:42) John Boyle: Phase 3 would be to do a 2- level parking garage of which yours would be the lower level. During the winter you would park and walk through a tunnel into the building. Your existing parking lot would become a mall. It is a beautification project for the west side. That would be by the 2015-17 biennium.

Chairman Carlson: So far it is only a recommendation that we get from the Capitol Grounds Planning Commission.

Representative Delzer: Is the \$4 million both phase 1 and 2?

John Boyle: Yes. (See attachment 6) It is Phase 1 and 2 and includes the hallway and loading dock.

Representative Delzer: I would like to have the dollar amount on all these phases.

John Boyle: I can supply you with that.

Chairman Carlson: My reassurance is there's nothing to mess with the west end?

John Boyle: That's correct.

(36:38) Chairman Carlson: Continued with changes. We went through the Central Services one, use study of the Missouri River Correctional site that was put in 2015. We can cross that off. State Energy Impact Funding Pool was \$8.5 million.

Representative Delzer: That's the pool we took the money out of all the budgets for housing and retentions or bonuses.

Chairman Carlson: Any comments Ms. Sharp about the 8.5 or the language we put in place somewhere?

(37:55) Pam Sharp: I visited with Representative Delzer about a little tweaking of the language that doesn't change the concept. It requires each individual agency to do their own housing survey of the state. We would make it allowable for us to use one survey for all the agencies.

Chairman Carlson: We need that language for tomorrow.

Allan Knudson: It looks like \$4,477,000 in general fund money and further explained the division of these numbers which was inaudible.

Chairman Carlson: How are we going to reconcile these numbers? Or are we just going to leave it at the 8.5?

(39:42) Allan Knudson: (inaudible)

Representative Delzer: One of the reasons we brought that forward in our pay package, we didn't believe that all these agencies were using the right criteria to look at this---- (inaudible)

Chairman Carlson: My understanding is Ms Sharp would come with additional language and the 8.5 million is the right number.

Pam Sharp: I'm not sure how to reconcile the numbers but we could do that.

Chairman Carlson: The concerning part for me is that we don't duplicate studies, etc. to figure out which number we are using and that we make it as simple as possible to have that pool operate.

Representative Delzer: We want to make sure that we are reacting to the current situation and not budgeting for six months from now or a year from now.

Chairman Carlson: Anything else on the difference in appropriations.

(41:56)Allan Knudson: The difference was indigent defense.

Representative Delzer: Senator Holmberg if you want to talk about why the Senate pulled that?

Chairman Carlson: I see the funding contract with term monitors and big bird as the areas to get resolved and I didn't hear much consternation about the rest of them.

Representative Delzer: How much for the parking lot?

Chairman Carlson: The parking lot is \$4,000,000, we had zero when it came out of the house. If you want to review those numbers for the parking lot and then we can go forward on that.

Senator Holmberg: We are going to get more information on the parking lot and then the move of the internal things.

Chairman Carlson: Let's go through the differences in the bill and see if we can get some of them finalized. In section 3 the Senate and the House version were the same. In section four?

Representative Delzer: You need to look when we did HB1319 tonight. They're renaming that and it looks like they are adding something, it says" ATI can use some money out of that fund. We need to be sure that we aren't missing something when we do that.

Chairman Carlson: That is basically the funding mechanism that matches up with those numbers. I don't know of any other language there.

Representative Delzer: We need to set aside another 744,000.

(43:53) Chairman Carlson: Section four of the bill on the Senate side I have marked OK that is the four and a half for that pool.

Section five was the Community Service supervision grants which is the guidelines for the supervisions grants that is OK.

Section six should be gone because of the study and that is in another place.

Section eight shouldn't be a problem.

Section nine the Senate version of the bill those are the same as the executive identifies grants and other special items that will be paid in appropriations.

Section seven we talked about the temporary employee health insurance and that match up with the money that we had at that other level.

Section nine of the bill are the compensation package guidelines that is OK that is section 12 in the Senate version

Section 13 is the same as the House version except accrued lead payments.

Section 14 is Mineral Royalties distributions is the same as the Executive recommendation so that should be okay.

Section 11 Political Sub division requires State Data Base which was in the House and not in the Senate version. Study for State Facilities needs was removed by the Senate and study for State employee's compensation was removed by the Senate.

Representative Delzer: I think we should have discussion on both of those especially section 13 and section 11.

Senator Holmberg: The issue on section 11 is there was no desire on the part of the political subdivision to report this.

(48:40)

Representative Delzer: The issue on this is that it was somewhat the same. We should have it available.

Chairman Carlson: Are there any comments on the other ones?

Senator Holmberg: (49:00) I think section 13 is important that study was filled----- and then we voted against it.

Chairman Carlson: The Capitol Grounds Planning Commission section 15 increases the appropriation.

(50:15)

Pam Sharp: That money is used for whatever the Capitol Ground Planning Commission decides to use it for as projects around the capitol grounds. It gives them the flexibility to do a few more small projects.

Representative Delzer: What my recollection was on----- (inaudible)

Chairman Carlson: Have they used all the money every time?

Pam Sharp: I am not sure. It really amounts to just a few small projects.

Chairman Carlson: It would be nice to know what is left.

(51:53)

John Boyle: We do spend that money every biennium. It was increased a few bienniums ago. We try to do projects that are about \$50,000 worth so we can only do about two. This would get us to about five.

Senator Holmberg: Are there requirements in the usage of this money so that it goes to projects that you would have to come to the legislature or is free rein for use.

John Boyle: These projects are prioritized by the Capitol Grounds Planning Commission for curb replacement, sidewalk replacement, patching the parking lot, etc. If we go over \$100,000 we have to get an architect.

Chairman Carlson: Where does the money come from?

John Boyle: The Capitol Building Trust Fund which is growing.

Chairman Carlson: We will try to arrive at a number and make it work. My recommendation would be 175. We would like to talk a little more about section 11. We hope you will consider 12 and 13 and put them back in. We are at the stage where we have a few more amendments to come.

Adjourned the meeting.

2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Committee Roughrider Room, State Capitol

HB1015
May 3, 2013 - 1
21674

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 various divisions under the supervision of the director of the office of management and budget; to amend and reenact sections 15.1-27-25 and 48-10-02 of the North Dakota Century Code, relating to distributions of royalties and the capitol building fund; to provide an exemption; to provide for various transfers; to provide legislative intent; to provide for a budget section report; and to provide for a legislative management study.

Minutes:

You may make reference to "attached testimony."

Chairman Carlson: Opened the conference committee on HB1015. All members were present.

Representative Delzer: Explained amendment #19, .04036.

02:20

Representative Onstad: Who applies for this?

Representative Delzer: They would apply, and the department would decide who to give it to. In all likelihood, it would go to the hospital association, but they would have to apply.

Representative Onstad: The department would apply, not the individual hospitals?

Representative Delzer: It would be the association, or some other association, not individual hospitals. The individual hospitals would have to work with the association.

Senator Schneider: If they spend \$700,000, is there any idea how much they get back in terms of more debt collections?

Representative Delzer: No, I can't tell you; hopefully enough to make a difference.

Chairman Carlson: When this develops, they us they'll be able to identify on-the-spot who people are and what coverage they have. It's an investment hoping that their identification at the door will be able to collect them a lot more money. I think this will work.

04:03

Representative Delzer: I have two others that we talked about last night that are now written up. Explained amendment #20, .04052. Explained amendment #21, .04051.

07:53

Senator Wardner: Explained amendment #22, .04050, with additional clarification from **Senator Grindberg**.

10:50

Senator Schneider: Explained amendments #23, .04049; #24, .04055; and #25, .04053. (Minute 15:20) We had also discussed a possible amendment to deal with the property and stripper well issue; I don't know the status on that.

Senator Wardner: I haven't gotten anything on it, and it's also being looked at in another bill. I'd like to keep that as an option on the table.

Chairman Carlson: Did we have any oil-related issues in the first 25? We did. What we're going to try to do for the sake of Legislative Council (LC) is agree on some of these things so they can start compiling a packet for us. I don't think there is a whole lot of disagreement on the basic bill itself, but I'd like to go back to a couple of things and get some resolution on those. The first one is funding the contract with external auditors for certain audits for \$300,000; my recollection is that was an acceptable number.

17:00

Senator Holmberg moved to reduce the amount from Senate amount of \$600,000 to \$300,000 for contracting external auditors, seconded by **Representative Onstad**.

Chairman Carlson: Any other discussion? A roll call vote was done, and the motion carried 6 Yes, 0 No, 0 Absent. I think we were in agreement on the contingency fund at 700, so that would be no change to what you sent us. Any questions about anything we talked about yesterday? Then we get to our favorite, Big Bird.

Representative Delzer: The House feels comfortable at \$200,000. I move we reduce that to \$400,000 from \$700,000 [for Prairie Public Broadcasting (PPB)].

Senator Holmberg: I did get a list of some of the things that PPB utilizes this money for; it was partially to match grants. Their list of projects for the next few years that they would like to do is about \$4.5M. Clearly they won't get that amount from the various grants they receive or subscriptions. The state has participated in this in the past, and I would like us to continue at the level. Last session, we reduced their appropriation in this same category by \$337,138. I hope we can stay with the Senate position.

Representative Delzer: We have a long history of supporting PPB but we don't support any other television or radio station. I think it's wrong to take taxpayer dollars for semi-private or private business. We do it with economic development all over the place, I understand that, but in the spirit of compromise I would support \$400,000.

Chairman Carlson: What else did they get in their budget?

Representative Delzer: \$1.35M operating money.

21:54

Representative Onstad: What was the reduction last session on their initial request?

Representative Delzer: We took out all the money for projects, and we lowered the operating from \$1.3M to \$1.0M last biennium.

Chairman Carlson: Is there a second for Representative Delzer's motion? If not, we'll move on. The one-time funding for capitol grounds parking. We talked about the \$4M and their plans for that. Some things we'll deal with another year. Any concerns about that?

Representative Delzer: We were supposed to get more information, and I would like to see the actual dollars and costs.

23:31

John Boyle, OMB: See Attachment 1.

Representative Delzer: Who came up with these numbers?

Boyle: This was value-engineered by the architect and engineers that put together the package when it was approved last biennium.

Representative Delzer: When we look at phase 1, did we not do this outside parking lot last time, the northwest one?

Boyle: Yes. This cost \$1.M; the phase 2 portion we also believe will be \$1.1M, and that is part of the carryover money. This sheet is just for phase 1. This breaks down the \$4.3M we are asking for.

Representative Delzer: What on this schematic has been done?

Boyle: Only the northwest parking lot has been done, on the first page of the schematic.

Representative Delzer: So what you are wanting to do with the \$4M is just the inside portion of phase 1.

Chairman Carlson: Are you talking lot F?

Boyle: That's correct. And lot G, and realign the loading ramp and the loading dock addition.

Representative Delzer: And the cafeteria hallway.

Chairman Carlson: Is there any work itself in the cafeteria?

Boyle: That work is getting ready to start. It's a project that was approved for this current biennium.

Chairman Carlson: Is it a total redesign of that area?

Boyle: Yes it is.

Representative Delzer: Is any of this tied up with your fire suppression?

Boyle: No. The only thing we're doing with fire suppression for next biennium is pressurizing each of the stairwells, that's it. No glass doors going up or anything else.

Representative Delzer: This \$585,000 is simply for looks.

Boyle: That's to match what's existing on the ground floor.

Representative Delzer: I'd like to have a little time on this one.

Chairman Carlson: We'll pass over that one. The central services operations, we had agreement on the 185. The 8.5 we have a further description of that but the money stays here, and further description is one of the amendments?

Representative Delzer: That's my idea of it.

Senator Holmberg: I move that we remove the \$50,000 and the land use study language for the Missouri River Correctional Center, which we had already agreed to and is in SB2015. **Senator Schneider** seconded the motion.

Chairman Carlson: We'll take a roll call vote, unless there is further discussion. The motion carried 6 Yes, 0 No, 0 Absent.

28:50

Representative Delzer: The next one would be the \$100,000 for the website and the language, in section 11 of the bill I believe. We might need to deal with the language before the money.

Chairman Carlson: I think we'll do that. We'll try to resolve things as quick as we can on the other ones. It appears to me Big Bird and the parking lot stuff are the only two in contention from that list. Went through sections of the bill that were ok or already dealt with.

32:07

Representative Delzer: Section 11 of the original bill the House sent to the Senate was in the packet. It was 4000, is that correct?

Allen Knudson, Fiscal Analyst, Legislative Council: Yes.

Chairman Carlson: Senators, you removed that language. We thought the option had some value.

Senator Holmberg: When we went through this we didn't have the sense that this would be utilized at all, so we felt removing the money in that section would be appropriate.

Representative Delzer: I can't totally argue with that, but I'm not sure but the language should stay there simply because if somebody wants to do it, they should be able to. It would be more for the smaller communities that don't have websites of their own to put their budget data on; the larger communities probably have the transparency for all their budget data. What would happen if the money stayed in there? Is it in operating?

Knudson: I believe so, and it would just be turnback.

Representative Delzer: But if it is in the operating line, they could use it somewhere else. We would need to designate it if we wanted to guarantee it was turned back if not used for this.

Representative Onstad: You mentioned that the larger communities already have websites and the smaller ones do not. It seems like website development is rather simple. I don't know if the smaller communities are having those kinds of requests to post those on a website.

Representative Delzer: This would simply be permissive language that OMB would do it if somebody asked them to do it for them.

Senator Schneider: Why does it cost so much to put information on the website?

Representative Delzer: I think OMB said they would have to do some programming changes to allow this, that's where part of the cost comes in.

Representative Thoreson: This language is permissive, but money was left in there in case there were needs to change some programming, updates to the current website, it would allow OMB some flexibility to do so. I'm not certain it would cost that much, and it might be quite a bit less.

Pam Sharp, OMB: The way I envision this working, if a political subdivision wanted to submit their information, we would either put it in a PDF or in a link on our website. I do have a concern now because the language states we have to put it in our statewide budget database, and that's an impossible thing to do because searchable database pulls directly from PeopleSoft and only pulls from PeopleSoft. Information we'd be getting from the political subs would not be able to be put into that database. If we could delete those few words that say it must be on the state's budget data website, it would solve that.

Chairman Carlson: How about the \$100,000?

Sharp: I don't have any idea how much it would cost to develop whatever it is we would need. If we're just going to give PDFs or links, that would be plenty of money and we probably wouldn't spend that much. We don't want to put it in our budget database website, we just want to put it on our OMB website.

Chairman Carlson: Senators, any major concern with that?

Senator Holmberg: As long as any of the funding involved is turned back if not utilized.

Representative Delzer: If we want to fund it, let's just put in \$20,000 or something like that. I can't imagine they need more than that for links etc.

Senator Holmberg: The language should be there. If we pass this motion to reinstate what was section 11 with the editorial comments, the question of any money that might be attached to this is a separate question.

Rep Delzer moved and **Senator Holmberg** seconded removal from section 11 of the House version the words "for inclusion in the state budget database website."

Chairman Carlson: Any further discussion? Seeing none, a roll call vote was done. The motion carried 6 Yes, 0 No, 0 Absent.

40:05

Senator Holmberg: In the section that was about state agency facility needs, 12 in the House version, we had two problems with it: 1) it was a 'shall' study, and we tried to stay away from mandating the study to allow LC flexibility; and 2) there was another bill that was going to do this. We passed this bill out and then the other bill with the study was defeated in the Senate. I move we reinstate this section with the additional change to 'shall consider' the study. **Senator Wardner** seconded the motion.

Chairman Carlson: Any further discussion? Seeing none, a roll call vote was done. The motion carried 6 Yes, 0 No, 0 Absent. We also had section 13 about the state employee compensation classification system.

Representative Delzer: The idea was to look at our classification system, to make sure what we're doing is right, and to look at what other states are doing. It is a 'shall consider,' as it should be. I think it was fairly well thought out, and I think it's something we should put before Legislative Management.

Senator Holmberg: Our discussion was around the Hay study that was done. I like the fact that it was a 'shall consider' study and it is an in-house study and doesn't appear to contemplate spending the kinds of money we've spent on other studies. I move to reinstate section 13. **Representative Delzer** seconded the motion.

Chairman Carlson: Any further discussion? Seeing none, a roll call vote was done. The motion carried 6 Yes, 0 No, 0 Absent. Then there is section 15 (Senate version .06000).

44:40

Senator Holmberg: I move that we leave this in the bill, but change the amount from \$250,000 to \$175,000. **Senator Wardner** seconded the motion.

Chairman Carlson: I agree with that number. Any other discussion? Seeing none, a roll call vote was done. The motion carried 6 Yes, 0 No, 0 Absent. The last section 16 (Senate) was the same as the House version and I don't see a problem with that. It looks like we have the Big Bird and parking lot issues left, and I think most of the rest of those are taken care of.

Brady Larson, LC: Was there any decision by the committee on the issue of the website money for the political subdivision reporting?

Representative Delzer: I think they could probably find it within their budget, and if they can't, they can come to the Emergency Commission.

Chairman Carlson: I would be in favor of leaving that out. I don't think it's going to be a big deal. We'll find out if anyone wants to use that. Are there any other amendments?

48:00

Representative Delzer: LC, did you get a chance to look at how the language in HB 1319 (defeated on the floor earlier in the day) affected the property tax sustainability fund?

Knudson: We did check on that. It changed the name of the fund, but it allowed LC to adjust the names later so we wouldn't have to worry about the name of the fund. The other section it talked about was that OMB and DPI were to work together to identify the amount in the property tax relief fund that was going to be used for property tax relief for schools. They're contemplating that the appropriation would be directly out of property tax relief fund like it was in the governor's budget; since that was planning to be changed to a general fund appropriation, that section wouldn't have any use, so it doesn't do any harm being in there, but it also doesn't do anything.

Representative Delzer: It isn't a case where they could go in and get next time's money that we're trying to set aside for two years from now and use it?

Knudson: It could only be spent pursuant to legislative appropriations, and the only appropriation that you've done was transferring it to the general fund.

49:22

Senator Wardner: Explained amendment #26, .04054.

Chairman Carlson: Would this be the same language that was in HB 1234 for strippers?

Senator Wardner: Pretty close.

Senator Schneider: In our discussions yesterday, we directed LC to draft the Senate version of 1234 with the 35 barrel per day level that the House considered. I'm not sure if there are any meaningful differences between the House and Senate version on that.

Representative Delzer: I'm not sure this is the House's version, I think it's the Conference Committee version.

Chairman Carlson: It could have been, but I think the fiscal effect is similar, and that's my concern.

Senator Wardner: Representative Delzer is correct, it was the version that came out of conference.

Chairman Carlson: So unless someone has different numbers, or we have have LC verify those.

Knudson: We'll check with Kathy Strombeck (in the Tax Department) and find out what the fiscal impact would be.

Chairman Carlson: That's important to know before we give our final stamp on this.

Representative Onstad: The 30 barrel and the 35 barrel, the depths are the same, horizontals; what's the reasoning for more than 10,000 outside the Bakken and 35 barrels for inside the Bakken?

Senator Wardner: I think it was the cost, the production and the difference in developing the wells. We're trying to encourage outside drilling.

Representative Onstad: Stripper wells are based on wells that are already producing. If you're going to talk about costs, at that depth, the wells have already been paid for at that point, we're just maintaining a producing well. I don't see why we don't just stay with the 30 barrels.

Senator Wardner: We were taking the language out of that conference committee, and hoping that we could get it in here. We didn't want to mess with it too much.

Representative Onstad: Is it an annual certification, or one-time?

Senator Wardner: This is just a one-time certification.

56:45

Chairman Carlson: Any further discussion on that? We'll come back to it. Any other amendments that have shown up, before we start going through our packets? Alright, let's go back to the beginning to start and see if we can get some of these to Council for incorporation. Amendment #1, any comments or motions?

Senator Wardner: The big thing was that this was the bill that had to deal with pre-nup agreements. The argument was that the uniform probate code already authorizes such marital agreements; therefore, this amendment correct language that we passed in another bill. If we need more direction, we can ask Senator Hogue.

Representative Delzer: The question I had was whether in the uniform code it is 120 days, the same as this, or if they have a different time frame.

Senator Wardner: In the information given to me it says the amendment proposed is to restore the law to its current state, authorizing both pre-marital and marital agreements. It does this by removing the 120 day provision in the bill that came out of the conference committee. So that is my assumption, that it does.

Chairman Carlson: We'll set that aside. Let's go on to #2.

Senator Wardner moved adoption of #2, seconded by **Senator Holmberg**.

Chairman Carlson: I have no trouble with that.

Representative Delzer: We could not come to a full compromise on what we wanted to put in front of the people. Part of the problem of going two years down the road with this is the fund's going to be at 600; by the time the people do it, it will be at 900. The actual opportunity to use this fund as long as we have a valid budget stabilization fund is very little; but I guess it's better to look at it and try to come up with a compromise.

Chairman Carlson: I agree with that. I think it's worth a go. A roll call vote was done, and the motion carried 6 Yes, 0 No, 0 Absent. We're on #3.

1:03:00

Senator Wardner: Went over the amendment again. The language in this particular amendment takes care of the \$1000 fee so professionals are on an equal playing field.

Representative Delzer: This bill ties up with SB2144. They both came down and passed the Senate, and to Appropriations after passing the House policy committee, with FNs of over \$100,000 for each one. The first and foremost thing is, if we are building a program for the Secretary of State that costs \$100,000 to change a small thing, we've got problems there. But the House Appropriations came up with a plan where if there were 10 applications in the two bills together, they could go ahead with the project, and we put some money in it. If you tied the two together, and delayed the date until after the program was done so you could use IT programmers, it dropped down to around \$90-94,000. Both bills went into conference with the policy committees, and they came out with a charge of \$1000 in both of these bills. If we put this on, we're taking one of the charges away and leaving the other one on in the other bill. I don't have major concerns either way, I think the Secretary of State should be able to do it for nothing.

Chairman Carlson: It started as a \$120,000 FN on each bill, and they were anticipating that a handful of people at the most that would use it.

Representative Delzer: It was \$127,000 if you did them together; if you waited until January 2015, I believe, then it dropped to about \$94,000.

Chairman Carlson: But we put no money in it and just raised the fee. I would like to stay at that level, myself.

Senator Wardner moved adoption of #3, seconded by **Senator Schneider**.

Chairman Carlson: Any other discussion? A roll call vote was done, and the motion failed 1 Yes, 4 No, 1 Absent. We're on #4 now.

1:07:27

Senator Wardner: This has to do with prisoners being court-ordered to the state penitentiary, and there was language in the bill that said the penitentiary did not have to accept them; this changes it so when it is court-ordered, they will be accepted by the pen. He moved amendment #4, seconded by **Representative Onstad**.

Representative Delzer: This was on the bill when it passed the House the first time; it went through both Appropriations committees. The issue is that the state pen can run out of room, too, and what happens then? Plus, it was requested by Leann Bertsch from DOCR, it wasn't something that came from a legislator, as such. I think it protects them from a situation that may come up, plus they will tell you bluntly that some are asking for sentences of a year and a day, when six or nine months would also be available, so that they become wards of the state.

Representative Onstad: If the sentencing comes to the fact that there are so many years in the state penitentiary, you're saying the state penitentiary could refuse them?

Representative Delzer: I would say this would be for the ones sentenced for a year and a day, because they cannot be sent to the state pen unless they are sentence for that long. Any over and above that I do not believe that the state pen would ever refuse. I don't know that this language gives them that; that certainly wasn't the discussion in Appropriations, but I did not sit in on the section, either.

Senator Wardner: That was the concern of Senator Lyson, that there were others that would have longer sentences, and that would happen.

Leann Bertsch, Director, Department of Corrections and Rehabilitation (DOCR): We did request this language to be put in our appropriation bill, and it did pass through both chambers. What it does is give us the authority to refuse admission of inmates once we would reach maximum operational capacity and we had exceeded and we had come to the limit of appropriated limits for contract housing. So even if we're full, if we have money for contract facilities, which we do in our budget, we're not going to refuse anyone. The other thing it does is it also requires us to develop a prisoner management plan. Our intention is to have this language exist so that we get the attention of sentencing courts in some counties to really review their sentencing practices. If you look at the admissions across the state, we have one judicial district who has three times as many admissions as Cass County, and we don't have three times as much crime here in Bismarck. What we are seeing is, you don't have to have a year and a day sentence to get to the penitentiary. We have counties and judges sentencing people to DOCR for as short as two weeks, 30, 60, or 90 days. What we really would like is to have this language for this biennium so that we have some incentive for the judiciary to work with the DOCR at actually controlling and prioritizing who uses correctional resources in the state.

Senator Holmberg: Is there a risk if you utilize this option that that same sentencing court could hold the corrections system in contempt of court for not accepting someone that they had ordered to go there? Are we creating a problem?

Bertsch: I don't believe so, because you have given us statutory authority. You are the ones that set the law, and you would give us the legal authority to do that. Frankly, my intention is not to get to the point towards the end of the biennium where we would be at capacity, but to actually be proactive and work with the different jurisdictions because there are a lot of things that can be done to prioritize. I talked to some county jail administrators, and they were in favor of it, because they see the need to get the attention of the sentencing authorities to actually look at who using county resources and state resources. There is no incentive for those practices to change, unless we have this type of language. I did only ask for it to be in our appropriation bill and not codified, because as we looked at the history, if this language had been in our bill the last three bienniums, it would never have come into play, because we have been adequately funded and we would have never utilized it. However, any time the DOCR has ever added beds to its system, we have had a jump in usage. We would really like to have the teeth in our budget bill, remain as that is, so there is some incentive across the state to work with us in managing those correctional resources.

Senator Holmberg: Would a more appropriate fix be the legislature statutorily looking at instances where they might sentence someone to two weeks or some number like that? The perception is that you don't get into the prison unless you've been sentenced for a year and a day, but is there not some other way to do this?

Bertsch: I don't believe so, because if you do that, all you're going to do is have sentencing practices skirt around, it will make sure they just extend the sentence to get someone placed at the state level versus the county level. There are a lot of dynamics going on where they are very cognizant of what happens in their local jurisdiction, so sometimes they want to get them to DOCR, knowing that in the last six years we were overcrowded and we turn around and put them right back in that county jail, and pay them a per diem. I think this is the best solution. Give us two years to evaluate it, there are some reporting requirements in the language in SB 2015, and we will manage it very seriously. We won't abuse that authority.

Senator Schneider: Could you go through the mechanics if the DOCR were to refuse someone a bed at the state pen, what would happen?

Bertsch: What the language in SB 2015 also requires us to do is develop a prison management plan. We have looked; if this comes to fruition, where we haven't been proactive enough for them to actually the correctional resources, the first thing we would do is prioritize the serious offenders first; and then, as we have openings, we would take them in. They would end up staying at the county level until we would have an opening. Realistically, if they want us to take the more serious offenders, they're going to start handling the low-risk offenders.

Chairman Carlson: Thank you. There is a motion on the table to approve amendment #4 or .04039. Any other discussion? If not, we'll take the vote. The motion failed 0 Yes, 6 No, and 0 Absent.

1:17:19

Senator Wardner: Amendment #5 has to do with public health districts. He moved the amendment, seconded by **Representative Delzer**.

Chairman Carlson: I think that makes sense.

Representative Delzer: This has to do with the health districts in the western third of the state. There was \$1.1M in the health department that got removed; the idea is that they can apply for the grants.

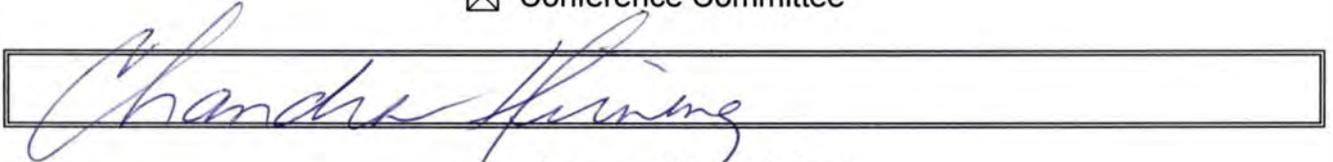
Chairman Carlson: Any other discussion? If not, we'll take the vote. The motion carried 6 Yes, 0 No, and 0 Absent. We're going to take a break. When we come back we'll be on #6, we'll take them right down the line.

2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Committee Roughrider Room, State Capitol

HB1015
May 3, 2013 - 2
Job 21676

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 various divisions under the supervision of the director of the office of management and budget; to amend and reenact section 15.1-27-25 of the North Dakota Century Code, relating to distributions of royalties; to provide an exemption; to provide for various transfers; to provide legislative intent; and to declare an emergency.

Minutes:



Chairman Carlson: Opened the conference committee. All members were present.

Senator Wardner: We were going to start with number 6 which would have talked about the tribal agreement. That has been moved over to HB 1198.

Chairman Carlson: We can remove #6. We'll go back to #1. If you want to address this, there's a question about why and what it did.

Senator Hogue: The amendment you have is the result of a mistake that we made in the conference committee on 1128. The mistake grew out of our lack of awareness about a particular provision in the uniform probate code. HB1128 replaces a previous uniform law act relating to premarital agreements. The House passed 1128 without amendment. We made one minor amendment and the House didn't concur. The House conferees decided they didn't like the concept of being able to have marital agreements, that is an agreement that you enter into while you're married that allows you to divide up your property in a way that you wouldn't otherwise have to do if you were going through a divorce proceeding. As a spirit of compromise, we thought to let people have these agreements for the first 120 days after they're married. That was based on the idea that lots of folks want a prenuptial agreement and they don't get them done before they have the ceremony. As it turns out, under the uniform probate code, you can have marital agreements at any time while you are married. The reason for that is it's an estate planning tool. It allows married couples to shift assets so that they can minimize their estate tax liability. We were unaware of that, so it was error on our part to put that 120 day provision in. So we're asking your committee to remove it. That's the purpose of the amendment. With that amendment, the law will remain as it is today with respect to marital agreements.

3:35

Chairman Carlson: Any questions? If it's the same as existing law, why do we need this?

Senator Hogue: HB1128 updated and provided some additional clarity to three marital agreements.

Senator Wardner: Made a motion for to move amendment #1.

Representative Onstad: Seconded the motion.

Roll Call Vote: Yes: 5, No: 1, Absent: 0.

Chairman Carlson: We'll go to amendment #7 which was for Representative Porter and dealt with some clean-up language on the western area water and it was basically reconciling the language between 2233 and 1020 because there was a difference between those two.

Representative Porter: It's not a reconciliation. The loan was a separate bill and the language was just taken out of the loan bill and put into the budget bill. At the time we were working on SB2233; it was still thought that WAS would be handling their own industrial side of the component. This now reconciles with how 2233 puts the industrial commission in charge of the industrial side of water sales and the sweeping and payment of the loan.

Senator Wardner: Made a motion for #7.

Representative Onstad: Seconded the motion.

Roll Call Vote: Yes: 6, No: 0, Absent: 0.

Chairman Carlson: Number 8. This had to do with the concealed weapons.

Senator Holmberg: Made a motion for amendment 8.

Senator Schneider: Seconded.

Roll Call Vote: Yes: 6, No: 0, Absent: 0.

Chairman Carlson: Amendment 9 deals with the airplanes.

Representative Delzer: Made a motion for amendment 9.

Senator Holmberg: Seconded the motion.

Senator Schenider: I understand we all want the state to get the best deal possible if we're going to buy an airplane. Is there any guarantee that that happens? Or does this authorize the DOT to actually go ahead with a less financially wise deal?

Representative Delzer: The budget section approval takes care of that.

Roll Call Vote: Yes: 6, No: 0, Absent: 0.

Chairman Carlson: Number 10.

Representative Onstad: We may want to look at 10 and 11 at the same time. 11 deals with when we transfer the dollars at the end of this biennium over to 1315, that expenditure increased the current budget stabilization fund. The language stated in amendment 11 would keep that money from going into the budget stabilization fund and would stay in the general fund. In amendment 10, it's a simple reduction from 9.5% to 7.5%. The question is the use of the rainy day fund.

Representative Onstad: Made a motion to move amendment 10.

Senator Schneider: Seconded the motion.

Representative Delzer: I certainly can't support this. The question was why did we lower our rainy day fund instead of trying to raise it. Even at the 9.5%, it isn't that much of a cushion when we're talking the dollars that we're talking. We should have it there in such a way that it could be used.

Representative Onstad: The thought process is with the dollars in the expenditures and when we looked at the revenues. Accessing this particular fund, I don't think it's ever been accessed at this point. When you consider protections within the state, we have so many other trust funds that are kind of protections of other different dollar amounts. It's there.

Senator Holmberg: I'm going to support the suggestion that Representative Delzer had. We have accessed it once. It has been a good safety valve and as our budget gets larger and larger I think we want to have something that is readily accessible without having to have the full legislature come back in to take money out of the strategic investment fund.

Senator Schneider: We're approaching \$630 million in this fund?

Representative Delzer: That's about where we'll end up when we're done. That's kind of what we've been looking at in the end if we split everything half and half, and we're not all done yet.

Senator Schneider: Is it sitting in an account at the Bank of North Dakota and just gather minimal interest? Maybe that could be part of the study.

Representative Delzer: I think you have to have it readily available if there's a downturn in the economy.

Roll Call Vote: Yes: 1, No: 5, Absent: 0.

Chairman Carlson: Let's go to amendment 11.

Representative Onstad: Made a motion for amendment 11.

Senator Schneider: Seconded.

Representative Delzer: It is general fund spending. Part of the reason we do the transfers that we do is so we can show the people the general fund spending even though we transfer them out of the strategic investment fund. If this was just maybe 2176 and we needed it to settle the balance, I might consider it.

Roll Call Vote: Yes: 2, No: 4, Absent: 0.

Chairman Carlson: Moving on to amendment 12.

Senator Schneider: We fund three initiatives at the Dakota college of Bottineau for a total of \$3.3M.

Senator O'Connell: The student center was built with all general funds. All the buildings and whatnot up there have been pretty much put in under amendments.

Senator Holmberg: We did consider this but we had the sense that the general fund has not gone into dormitory work for many years. That's why our committee did not add this to the list.

Senator Schneider: Made a motion to move amendment 12.

Representative Onstad: Seconded.

Representative Delzer: I don't believe the House looked at this. Putting it in at this late stage in the game under the OMB budget, I hope we could keep most of the extra money out of this budget.

Chairman Carlson: A question on the buildings in 2003. What was total number of dollars put into that for buildings that were considered one time funding and general funding expenditures?

Senator Holmberg: \$160M roughly.

Chairman Carlson: This wasn't on the priority list?

Senator Holmberg: No.

Chairman Carlson: Any other discussion?

Senator Holmberg: We did hear a good proposal from Bottineau about some heating issues and we did add into 2003 \$840,000 for that project.

Representative Onstad: On the list of projects, were any of these buildings listed anywhere?

Senator Holmberg: They were not on the list.

Roll Call Vote: Yes: 3, No: 3, Absent: 0.

Chairman Carlson: On to 13.

Senator Schneider: This would provide a \$50,000 appropriation to the commissioner of veterans' affairs for the purpose of providing a military casket to a veteran who would otherwise be provided a welfare casket. Apparently these caskets can be manufactured by Roughrider Industries.

Senator Holmberg: Our committee did look at this and we weren't particularly successful in what happened with it. We preferred to put money into such things as the companion dog programs. I would not support it even though it is not a bad idea.

Senator Schneider: I believe the companion dog program has been reduced or eliminated entirely.

Representative Delzer: It never even made it to appropriations on the House side. The policy committee didn't feel that it deserved the same consideration.

Representative Onstad: Was there a number of how many veterans end up having a welfare casket?

Senator Holmberg: One of the struggles we had with the original bill was determining who was qualified or not. It became a potential bureaucratic nightmare.

Representative Onstad: It would have to be a request for a military casket. Is it an assumption that every vet would now be provided a military casket?

Senator Holmberg: The original amount was reduced. We felt we were doing a number of things in a piecemeal manner regarding veterans. We opposed it then and I will still vote no because I feel the legislature overall has done a pretty good job of recognizing the plight of veterans in a number of areas.

Senator Schneider: In terms of eligibility there has to be some sort of eligibility criteria for welfare caskets. So if you would be entitled to a welfare casket and you're a veteran, you would be entitled to a military casket under this provision.

Senator Schneider: Moved the amendment.

Representative Onstad: Seconded.

Roll Call Vote: Yes: 2, No: 4, Absent: 0.

Chairman Carlson: Let's go to amendment 14.

Senator Schneider: This relates to the four year recovery plan for PERS. This would provide a contingent appropriation to cover the employer portion of the second year of the

second biennium. This can't kick in unless revenues are above a certain amount as stated on page 8.

Senator Schneider: Made a motion for amendment 14..

Representative Onstad: Seconded the motion.

Representative Delzer: That's not a whole lot of variance. I can't support it because we worked hard on the pay package. To do the employer side would not be acceptable at all to myself or the House.

Representative Onstad: Part of that discussion in the House was based on the fact that stocks were up and returns were increased. It seems to me that the plan to restore this back to that level has moved forward.

Senator Holmberg: I would like to support this but I was involved in discussions regarding what we were going to do with total employee compensation. I will oppose the measure.

Roll Call Vote: Yes: 2, No: 4, Absent: 0.

Chairman Carlson: Number 15 is from the Secretary of State.

Senator Holmberg: Made a motion to move amendment #15.

Senator Wardner: Seconded the motion.

Chairman Carlson: It was a technical correction and I hope that we would pass this.

Representative Delzer: I think this was left out of the section and put into a different section. The social security portion of this bothers me because almost any computer program can be hacked.

Roll Call Vote: Yes: 6, No: 0, Absent: 0.

Chairman Carlson: Number 16 deals with the budget process.

Senator Wardner: Made a motion for amendment 16.

Senator Holmberg: Seconded the motion.

Representative Onstad: There are no restrictions at this point?

Chairman Carlson: Technically. They did have the July 15 date, but numerous extensions have always been granted.

Senator Holmberg: The extensions can go on for quite awhile. This would tighten that up.

Representative Onstad: If I asked for an extension I could get 60 days. Could I ask for another 60 day extension?

Senator Holmberg: Not under this.

Roll Call Vote: Yes: 6, No: 0, Absent: 0.

Chairman Carlson: Let's move to #17

Senator Wardner: This deals with the transition of the county social services to the state. There is \$638,000 plus from the general fund. There's \$361,000 from the federal funds.

Senator Holmberg: It seemed that the alternative was one that was also #25 which had a broader list, a larger area they would be studying. It included input from private organizations providing social and human service client advocates. It's broader in scope, and it's the same amount of money. We don't need both. We would need to decide if we want to pass amendment 17 or 25.

Senator Schneider: On amendment 25, it has a language change that recognizes that there is more to social service programs than those that occur at the state and county level. This would include central office, state human service institutions and centers, county social service programs. It would require the input of private organizations providing human and social programs and client advocates in the development of this plan. It requires the outlining of the role of contracted services. It is the same dollar amount and intent. It recognizes that social services also happens outside of state and county contexts.

Senator Wardner: I would have no problem with doing #25 and letting #17 go.

Chairman Carlson: If someone wanted to move that those two get melded together and we're dealing with #25, that is fine.

Senator Holmberg: The other alternative would be for someone to withdraw #17.

Senator Wardner: In the interest of time I'll withdraw #17 and will move on.

Chairman Carlson: Let's go to #18. This had to do with establishing a second date at the race park in Fargo. They figure they may have the money to run a second weekend, but if they don't, this amendment allows them the opportunity to get that money.

Senator Wardner: Made a motion to move the amendment #18. I wanted to make sure the state racing commission was okay with this.

Senator Holmberg: Seconded the motion.

Representative Delzer: I will support this because we're not adding any money even though we are moving money around from one fund to another. Would this be for only two years, or would it be existing after the two year period of the budget?

Allan Knudson: It's for 2 years.

Representative Onstad: The breeder's fund is the one that's growing. If they could get a couple more dates, the long-term goal is that that would be additional dollars so they could fund additional dates, with the expectations that that would quickly pay that back dollar for dollar. If they could get the two extra dates, the expectation is that maybe they won't have to come back to this body in two years or four years.

Representative Delzer: There's a certain amount that we get back in taxes. It hasn't been enough to cover their costs, so we have been using general fund to cover their costs. They're hoping to get enough so that their taxes returned to the state actually cover their costs.

Roll Call Vote: Yes: 6, No: 0, Absent: 0.

Chairman Carlson: Moving to number 19. It relates to 1358.

Senator Holmberg: Made a motion to move amendment 19.

Senator Wardner: Seconded the motion.

Representative Delzer: If we pass this, there would be a possibility for the Department of Human Services to grant to the hospital association or someone else enough money to have a program that will help them capture bad debt.

Chairman Carlson: Hopefully we will be able to collect and get the information we need.

Representative Delzer: This is to capture the increased costs in the oil patch, and bad debt is part of those increased costs.

Roll Call Vote: Yes: 6, No: 0, Absent: 0.

Chairman Carlson: Amendment 20.

Representative Delzer: This is the language change requested by OMB on the pool that is part of the pay package. It has to do mostly with allowing one state-wide survey.

Representative Delzer: Moved amendment 20.

Senator Holmberg: Seconded the motion.

Senator Holmberg: It is a simplification. It continues the process that we started with the amendments that the House had originally put on, and I hope we pass it.

Roll Call Vote: Yes: 6, No: 0, Absent: 0

Chairman Carlson: Amendment 21

Representative Delzer: This is the issue we discussed regarding Rasmey County. Summarized issue. We do have some language that says the department should fund the cost on the upper side. We put \$300,000 into HB1012 for this process already. This would allow the Department of Human Services, if they had the money to do it, to match that \$300,000 in the second half of the biennium.

Representative Delzer: Made a motion to approve amendment #21.

Senator Holmberg: Seconded the amendment.

Roll Call Vote: Yes: 6, No: 0, Absent: 0

Chairman Carlson: Amendment 22.

Senator Wardner: This is about research grants for biotech. It's about partnerships and grants through the research universities.

Senator Grindberg: We missed this in the final package of 2018 with the language we agreed to with research grants and including research grants with bio. The way it was passed, it required the private sector to write the check for a dollar to dollar match to the university. That was not the intention. This amendment puts the dollar of private match in with their expenses and partnership with the university in a potential project.

Senator Wardner: Made a motion to move the amendment 22.

Senator Holmberg: Seconded the motion.

Chairman Carlson: This is an opportunity, a new direction trying to expand on our biotechnology. I think it might be successful if these businesses come to the table and they get their partnership agreements with the university. It would be good for North Dakotans.

Roll Call Vote: Yes: 6, No: 0, Absent: 0

Chairman Carlson: Moving to amendment 23

Senator Schneider: This is the employer childcare credit that passed as part of HB 1250. It would provide a credit for up to 50% of the qualified childcare expenditures. As we briefly discussed this morning, a credit is an offset against actual tax liability whereas a deduction reduces your taxable income. A credit is a little more expensive than a deduction, but they both seek to serve the same policy goal.

Senator Schneider: Made a motion to move amendment 23.

Senator Wardner: Seconded the motion

Representative Delzer: I think the House Finance and Tax looked at this issue and the next issue and decided that they did not want to go forward with it. I think the House supported that idea. We have put quite a bit of extra money, like in HB 1422 for the

childcare for the lower income working single families. I cannot support this. I think it is too much. We don't even know exactly what it would cost.

Senator Schneider: I think this is a way to encourage a private sector solution to the daycare crisis we're experiencing. Some employers have taken it upon themselves to sponsor daycares. This would encourage more employers to take a private sector approach in addressing the childcare crisis. The cost is unknown, but the benefits would be well known to a lot of families.

Representative Onstad: When trying to attract employees, it's a key. The second question after housing is day care. It's part of their benefit package to look at how they can continue to attract employees. In the long run, this could be a win-win for us.

Senator Wardner: As we try to make sure we are meeting the needs of our workforce, this does become a critical part.

Roll Call Vote: Yes: 4, No: 2, Absent: 0

Chairman Carlson: Amendment 24

Senator Schneider: I prepared the deduction as a reasonable alternative to the tax credit. I understand that in the previous amendment, there were concerns about cost. The cost here would be a fraction of what we would spend with the credit. The deduction reduces taxable income and provides a modest incentive to employers to provide daycare services and to add a meaningful benefit to their employees and community.

Senator Schneider: Made a motion to adopt amendment 24.

Senator Wardner: Seconded the motion

Chairman Carlson: It is almost possible to get a fiscal note when you do a deduction but almost impossible to get one when you do a credit. I understand where this is coming from. I do believe that in the conference committee that was dealing with various tax issues, they attempted to put on and deal with the deduction issue. My understanding was that it was rejected as it was put forward because the bill included the credit. I do believe the House said that was too big a deal and could not do it, and we were not able to make any headway. So it isn't that we didn't discuss this at a point in time. Now our friend is back.

Roll Call Vote: Yes: 4, No: 2, Absent: 0

Senator Holmberg: Made a motion to move amendment 25

Senator Schneider: Seconded the motion

Representative Delzer: I believe the House tried to put a study on HB 1233, a study and not a plan without any money that the legislative management could consider to do to look at this to make sure that everything is understood about the ramifications. Elaborated on questions and ramifications. I understand this one goes even farther out, and I don't know

how we as a state start talking about what we're going to do in the plan for social services outside of what is county or state related. The fact that this is a plan and has money in it makes it so that I cannot support it.

Senator Holmberg: It certainly smacks of SB 2015, the corrections budget which had in its language about developing a plan for the movement of MRCC. It is not groundbreaking from the standpoint of how the legislature handled one other issue. They said you will develop the plan. I think there was enough support that going ahead with the plan makes sense, so I plan to support this.

Chairman Carlson: I concur with Representative Delzer. We would have been happy to study this and figure out the ramifications. You need to understand the encumbrances you're picking up as a state. We would have been happy to have a study without the plan. If you tie this all into a package, it's hard to disagree that if we take over a service and we mandate that the mills go away, there will probably be a property tax savings to senior citizens. But you need to understand what the costs are going forward. I think \$100 million today means a lot more tomorrow, and we should have had more study on that and then I think you'd have had the House support.

Senator Onstad: The state has taken over some county programs. There has been initiative to do that in the past and to continue that, not understanding the full ramifications and expanding the whole condition. We are looking to the plan, and the disagreement was probably in the dollars at that point. Laying out a thorough plan also signals in, and your cost expectations are going to be more thorough. By trying to develop a plan, it is the intent by Human Services to look and maybe expedite more social service programs across the state. I'm looking to support this.

Roll Call Vote: Yes: 4, No: 2, Absent: 0

Chairman Carlson: I think #26 went away; it's downstairs with a different committee. Is there anything that needs to be brought up? Otherwise we'll go back to the budget and see if we have made any headway. We're going to need to do some reconciliation with this budget at the very end with the rest of the bills to move some things around to get everything to balance. I think for now we'll adjourn and we'll resolve the rest of those things when we come back with those numbers.

Representative Onstad: Would you like to talk a little about Prairie Public?

Senator Holmberg: I am still supportive of the \$700K.

Representative Onstad: We made deductions of \$200,000, so that would at least be a better push for Prairie Public.

Senator Holmberg: Are you saying you would take what was the House position of \$400,000 and add \$200,000 to it?

Representative Onstad: Correct.

Representative Onstad: Made the motion.

Senator Holmberg: Seconded the motion

Chairman Carlson: We have a motion the bill itself regarding Prairie Public, raising it from \$400,000 to \$600,000. Where did we find the \$200,000?

Representative Onstad: It was \$175,000 and \$50,000 and \$175,000...

Chairman Carlson: I remember now where we got that.

Senator Holmberg: Isn't a little like looking at the governor's budget and deciding that because we don't do it, we're finding money we're never going to spend? We did the \$300,000 in the audit area, which I thought was a decent compromise.

Chairman Carlson: Let's take a vote on this and see how Big Bird does today.

Roll Call Vote: Yes: 4, No: 2, Absent: 0

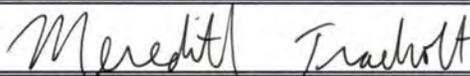
2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Committee Roughrider Room, State Capitol

HB1015
May 3, 2013 - 3
Jobs 21681 and 21682

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 various divisions under the supervision of the director of the office of management and budget; to amend and reenact section 15.1-27-25 of the North Dakota Century Code, relating to distributions of royalties; to provide an exemption; to provide for various transfers; to provide legislative intent; and to declare an emergency.

Minutes:

You may make reference to "attached testimony."

Recording Job 21681

Chairman Carlson: Opened the conference committee on HB1015. All members were present. We have a couple issues left to resolve, Big Bird and the parking lot. The first is one-time funding for Prairie Public Broadcasting. Any amendments for recommendations?

Senator Wardner moved to go to \$600,000, and **Representative Onstad** seconded.

Chairman Carlson: Is there any discussion? If not, we'll take the vote. A roll call vote was done and the motion carried 4 Yes, 2 No, 0 Absent. Now the \$4M on the parking lot.

Representative Delzer: I still have some concerns about what they are doing here in the hallway. I would like to see some language that protects the parking lot on the west side of the building for the next two years; I don't have language prepared for that. I think we could let it go to \$4M with that language in it. I would move that. **Senator Holmberg** seconded.

Chairman Carlson: Any other discussion? A roll call vote was done and the motion carried 6 Yes, 0 No, 0 Absent. To my recollection, we've gone through this whole list, does everyone agree? There are a few amendments yet to be done. Went through list of approved amendments for the committee members to compare to their own lists. **Senator Holmberg** confirmed he had the same list of approved amendments.

04:27

Representative Delzer: I still have about three more I would like to propose. The first is .04058.

Allen Knudson, Legislative Council: Upon review today, we discovered an error in the Parks and Recreation Department appropriation bill, and this corrects the issue.

Senator Holmberg moved amendment .04058, seconded by **Representative Delzer**.

Chairman Carlson: Any discussion? A roll call vote was done and the motion carried 6 Yes, 0 No, 0 Absent.

Representative Delzer: Explained amendment .04060. This is the emergency clause off of SB 2003, the higher ed budget, because the clause failed in the Senate by one vote.

Senator Wardner moved amendment .04060, seconded by **Senator Holmberg**.

Chairman Carlson: Any concerns, Senators? We passed the emergency clause in the House already, so we'll follow your lead. If there is no further discussion, we'll take the vote. A roll call vote was done and the motion carried 6 Yes, 0 No, 0 Absent.

07:30

Chairman Delzer: I have one more, explained amendment .04059.

Representative Onstad: So now the breakdown is five counties in that lower bracket?

Representative Delzer: It will be 5 counties that will get the \$15,000 each year. Burke will get a share of the \$160M, instead of a share of the \$120M.

Senator Holmberg moved adoption of amendment .04059, seconded by **Senator Wardner**.

Chairman Carlson: Any questions or comments? A roll call vote was done and the motion carried 6 Yes, 0 No, 0 Absent. Does anybody else have any amendments that would go on the bill? I have a few amendments that need to be introduced for us to wrap up some of our business and transfers to make this all work. The first one is amendment .04061.

Knudson: Explained amendment .04061.

Chairman Carlson: Any discussion or questions? What dollar difference does it make?

Knudson: \$68.4M less would go into budget stabilization.

Senator Holmberg moved adoption of amendment .04061, seconded by **Senator Schneider**.

Chairman Carlson: Any other discussion? A roll call vote was done and the motion carried 6 Yes, 0 No, 0 Absent. I have one last one, amendment .04062.

Knudson: Explained amendment .04062.

Representative Delzer moved adoption of amendment .04062, seconded by **Senator Wardner**.

Chairman Carlson: Any discussion? We've always had the practice of setting that number aside, so this continues that at the number we're putting in the bill. A roll call vote was done and the motion carried 6 Yes, 0 No, 0 Absent.

15:55

Knudson: Explained Attachment 2. These numbers are estimates of where we are going to end up. There might be some slight adjustments as we finalize amendments.

Senator Wardner made a motion to transfer \$520M from the strategic investment and improvements fund to the general fund, seconded by **Senator Holmberg**.

Chairman Carlson: Any discussion, questions? It was good news for me when I looked down and saw these numbers. It was not looking that pretty not that long ago. I think we have put the money to good use. Without any other discussion, we'll take the vote. A roll call vote was done and the motion carried 6 Yes, 0 No, 0 Absent. Any other business we need to do?

19:50

Senator Holmberg moved that the Senate recede from its amendments and that the bill be further amended per the conference committee report, seconded by **Senator Wardner**.

Chairman Carlson: We will have a vote and complete our work on the bill. Any discussion? A roll call vote was done and the motion carried 6 Yes, 0 No, 0 Absent. Thank you.

Recording Job 21682

Chairman Carlson: We will need a motion to reconsider our action.

Senator Holmberg: I move we reconsider our action by which we passed the 1015 conference committee report and further amend. **Senator Wardner** seconded.

Senator Wardner: Explained amendment .04063. We had thought it was going to cost about \$2M. Kathy Strombeck from the tax department says it would cost the state approximately an addition \$900,000 for the 13-15 biennium. The tax department budget, in bold and underlined, does have adequate an appropriation to cover this expansion if it is enacted, so no need to build in any additional revenue to our budget. That's their report; they have it covered. I move we adopt this amendment. **Senator Holmberg** seconded.

Chairman Carlson: We should vote on the motion to reconsider before we do anything further. The motion carried by a voice vote. Now we'll accept the motion and second to amend, and the explanation we've already received.

Representative Delzer: Did they have this discussion at all on 2171 when they were working on it in conference committee?

Senator Wardner: To the best of my knowledge, they did not talk about it down there. There were discussions on it, and it was something we wanted to move, so it went, and we decided we would try to put it on down here.

Chairman Carlson: I believe Representative Belter was aware of this, and he had no objection that I heard. I'm okay with it.

Representative Delzer: Was there any discussion of how many people this will affect?

Senator Wardner: I don't remember the number.

Chairman Carlson: I think it was 180 or 200 people. We'll take a vote. A roll call vote was done and the motion carried 6 Yes, 0 No, 0 Absent.

Senator Holmberg moved that the Senate recede from its amendments and that the bill be further amended per the amendments, seconded by **Senator Wardner**.

Chairman Carlson: We'll take a vote. A roll call vote was done and the motion carried 6 Yes, 0 No, 0 Absent.

VR
5/4/13
10821

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1015

That the Senate recede from its amendments as printed on pages 1760-1766 of the House Journal and pages 1659-1666 of the Senate Journal and that Engrossed House Bill No. 1015 be amended as follows:

Page 1, line 5, after "section" insert "14-03.2-05 as created by section 1 of House Bill No. 1128, as approved by the sixty-third legislative assembly, section"

Page 1, line 5, after "15.1-27-25" insert ", subsection 1 of section 23-35-07, subsection 4 of section 23-35-08, subsection 2 of section 41-09-87, sections 48-10-02 and 54-44.1-04, and subsection 1 of section 57-02-08.1 as amended by Senate Bill No. 2171, and subdivision e of subsection 1 of section 62.1-04-03 as amended by House Bill No. 1327, as approved by the sixty-third legislative assembly,"

Page 1, line 5, after "Code" insert "and section 12 of House Bill No. 1012, section 1 of House Bill No. 1019, section 5 of House Bill No. 1020, sections 5, 6, and 7 of House Bill No. 1358, and section 15 of Senate Bill No. 2018, as approved by the sixty-third legislative assembly"

Page 1, line 5, after "to" insert "marital agreement requirements,"

Page 1, line 6, after "royalties" insert ", health district budgets, the capitol building fund, Uniform Commercial Code filings, agency budget requests, homestead tax credit, concealed weapons permits, grants to a jurisdiction adjacent to an Indian reservation, appropriations for defraying the expenses of the parks and recreation department, loans to the western area water supply authority, transportation funding distributions, and research North Dakota grants"

Page 1, line 6, replace "an exemption" with "exemptions; to provide an exception to general fund transfers to the budget stabilization fund; to provide for the use of funds by the department of human services"

Page 1, line 7, after the first semicolon insert "to provide for a budget section report;"

Page 1, line 7, remove "and"

Page 1, line 8, after "date" insert "; to provide a contingent effective date; and to declare an emergency"

Page 1, remove lines 18 through 24

Page 2, replace line 1 through 5 with:

Salaries and wages	\$18,477,763	\$1,475,552	\$19,953,315
Operating expenses	13,755,254	641,534	14,396,788
Emergency commission contingency fund	700,000	0	700,000
Capital assets	5,190,143	4,760,922	9,951,065
Grants	430,000	0	430,000
Prairie public broadcasting	1,000,000	937,138	1,937,138
State student internship program	200,000	0	200,000
Health insurance pool - temporary	0	2,000,000	2,000,000

2821

employees			
Accrued leave payments	<u>0</u>	<u>570,412</u>	<u>570,412</u>
Total all funds	\$39,753,160	\$10,385,558	\$50,138,718
Less estimated income	<u>10,514,461</u>	<u>(783,831)</u>	<u>9,730,630</u>
Total general fund	\$29,238,699	\$11,169,389	\$40,408,088

Page 2, replace line 13 with:

"Capitol complex parking lot repairs	800,000	4,000,000"
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Page 2, replace lines 19 through 21 with:

"Prairie public broadcasting	0	600,000
Health insurance pool	0	2,000,000
Repair and cleaning capitol and j-wing	<u>0</u>	<u>1,200,000</u>
Total all funds	\$478,354,000	\$10,490,000
Less estimated income	<u>0</u>	<u>1,000,000</u>
Total general fund	\$478,354,000	\$9,490,000"

Page 2, line 28, replace "\$373,210,000" with "\$315,210,000"

Page 2, after line 31, insert:

"SECTION 4. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - GENERAL FUND. During the biennium beginning July 1, 2013, and ending June 30, 2015, the director of the office of management and budget shall transfer the sum of \$520,000,000 from the strategic investment and improvements fund to the general fund.

SECTION 5. GENERAL FUND TRANSFERS TO BUDGET STABILIZATION FUND - EXCEPTION. Notwithstanding section 54-27.2-02, the state treasurer and the office of management and budget may not include any general fund appropriations provided in Senate Bill No. 2176, as approved by the sixty-third legislative assembly, in the amount used to determine general fund transfers to the budget stabilization fund at the end of the 2011-13 biennium under chapter 54-27.2.

SECTION 6. APPROPRIATION - OFFICE OF MANAGEMENT AND BUDGET - STATE AGENCY ENERGY DEVELOPMENT IMPACT FUNDING POOL - TRANSFER AUTHORITY - EMERGENCY COMMISSION APPROVAL. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$4,000,000, or so much of the sum as may be necessary, and from special funds derived from federal funds and other income, the sum of \$4,500,000, or so much of the sum as may be necessary, to the office of management and budget for a state agency energy development impact funding pool, for the biennium beginning July 1, 2013, and ending June 30, 2015. The funds provided under this section are considered a one-time funding item.

A state agency may submit an application to the office of management and budget for a transfer of appropriation authority from the state agency energy development impact funding pool for employee housing rental assistance and temporary salary increases for employees affected by energy development. The office of management and budget, subject to emergency commission approval, shall transfer appropriation authority from the state agency energy development impact funding pool to eligible agencies for approved applications.

1. A state agency may submit an application to the office of management and budget to address rental assistance needs for employees in affected areas of the state. Spending authority is limited to six months or until the need for the assistance has ended, whichever occurs first. An agency may submit a renewal application for continued spending authority to address any continued need to provide assistance.
 - a. As part of the application for rental assistance, the agency must identify each position within the agency that requires rental assistance. The agency shall provide a housing survey conducted by the agency or an approved statewide housing survey for the immediate geographical location appropriate to each position for which approval is being requested. The survey must include an identified difference between the state rental rate average and the rental rates for housing in the location where the employee will reside. The survey must describe the methodology used in determining rental differential for that immediate geographical location. For an existing employee or applicant already with housing, the agency must attach the employee's rental agreement from the rental property company. For a newly hired employee, the agency shall forward a copy of the rental agreement after the applicant has been hired and secured housing. The rental agreement must include the following information:
 - (1) Rental company name.
 - (2) Rental company address.
 - (3) Amount of rent.
 - (4) Effective date of lease.
 - b. The office of management and budget shall review the application for rental assistance and make a recommendation to the emergency commission to approve or reject the request. The emergency commission shall make the final determination on the application. The applications must be reviewed on an individual position or positions basis based on documented need and affordability.
 - c. Rental assistance payments must be based on a housing survey conducted by the agency or a statewide survey subject to review and recommendation by the office of management and budget and approval by the emergency commission. Employees eligible to receive rental assistance include employees currently renting in designated areas of the state and new employees or existing employees transferring into affected areas of the state. The rental assistance payment must be a flat dollar amount based on the difference between the state rental rate average and the rental rates for housing in the location where the employee resides.
 - d. A state agency that has an employee receiving rental assistance must submit documentation to the office of management and budget upon request that verifies the employee's proof of payment.
 - e. A state agency must report any changes to the office of management and budget of the housing status of employees relating to a position that has been approved.

- 2. A state agency may submit an application for up to six months of salary differential payments for employees living in assigned or in temporarily assigned areas of the state affected by energy development. The application must document the salary level of each affected employee or position compared to statewide and local averages for similar types of employee positions. The office of management and budget shall review the application for salary differential payments and make a recommendation to the emergency commission to approve or reject the request. The emergency commission shall make the final determination on the application. Any salary differential payment provided to an employee does not become part of the employee's permanent base salary.

SECTION 7. COMMUNITY SERVICE SUPERVISION GRANTS - FUNDING ALLOCATIONS - ADDITIONAL INCOME APPROPRIATION. The grants line item in section 1 of this Act includes the sum of \$375,000 from the general fund for the purpose of providing community service supervision grants. The office of management and budget shall distribute the grant funds on or before August first during each year of the biennium beginning July 1, 2013, and ending June 30, 2015, to North Dakota community corrections association regions as follows:

Barnes County	\$9,091
Bismarck (urban)	20,293
Bismarck (rural)	10,667
Devils Lake	10,747
Dickinson	12,683
Fargo	24,127
Grand Forks	19,803
Jamestown	13,883
Minot	16,194
Richland County	9,931
Rugby	11,657
Sargent County	8,086
Wells County	8,189
Williston	<u>12,149</u>
Total	\$187,500

Any moneys in the community service supervision fund are appropriated to the office of management and budget for distribution to community corrections association regions on or before August first of each year during the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 8. OFFICE OF MANAGEMENT AND BUDGET - TEMPORARY EMPLOYEE HEALTH INSURANCE POOL - TRANSFER AUTHORITY. The office of management and budget may transfer to each eligible agency appropriation authority from the health insurance pool - temporary employees line item contained in section 1 of this Act. Transfers may be made for the purpose of providing temporary employee health insurance adjustments for state employees, including institutions of higher education, determined to be full time based on guidelines developed by the office of management and budget in accordance with the shared responsibility provisions of the Affordable Care Act for the biennium beginning July 1, 2013, and ending June 30, 2015."

Page 3, line 22, remove "- LEGISLATIVE"

Page 3, line 23, remove "INTENT"

Page 3, line 23, after "GUIDELINES" insert "- BUDGET SECTION APPROVAL"

Page 3, line 24, after "of" insert "3 to 5 percent for the first year of the biennium and in a range of"

Page 3, line 25, replace "each" with "the second"

Page 3, line 27, after "increases" insert "for the first year of the biennium"

Page 3, line 28, after "and" insert "for the second year of the biennium are to be given"

Page 3, line 29, after "adjustment" insert "for each year of the biennium"

Page 3, line 29, remove "for the first year of the biennium may be"

Page 3, line 30, remove "provided"

Page 4, line 1, after "range" insert "and up to 1 percent for a classified state employee whose salary is in the second quartile of the employee's assigned salary range may be provided"

Page 4, line 1, remove "The market equity increases are to be given"

Page 4, remove line 2

Page 4, line 6, after "budget" insert ", subject to budget section approval,"

Page 4, line 6, remove "not"

Page 4, line 11, after "of" insert "3 to 5 percent for the first year of the biennium and in a range of"

Page 4, line 12, replace "each" with "the second"

Page 4, line 14, after "2013" insert "for the first year of the biennium"

Page 4, line 15, after the first "2014" insert "for the second year of the biennium"

Page 4, remove lines 16 through 18

Page 4, after line 22, insert:

"Each agency appropriation is increased to provide additional funding of \$95 per month for each eligible employee to maintain existing health insurance benefits. As a percentage of the average state employee monthly salary, this amount represents a 2.35 percent increase."

Page 4, line 23, after the first "ITEM" insert "- PILOT PROJECT"

Page 4, line 26, after the first "for" insert "a pilot project for the biennium beginning July 1, 2013, and ending June 30, 2015, for"

Page 4, line 31, after the period insert "For the purpose of determining salaries and wages amounts under section 54-27-10, the office of management and budget shall consider the amounts included in the accrued leave payments line item as part of the appropriation for salaries and wages."

SECTION 15. TRANSFERS - RACING COMMISSION FUNDS. Upon the request of the North Dakota racing commission, the office of management and budget shall transfer up to \$50,000 from the breeders' fund to the purse fund and up to \$50,000 from the breeders' fund to the racing promotion fund during the biennium beginning July 1, 2013, and ending June 30, 2015. Any funds transferred under this section must be used to promote additional horse races in the state during the biennium beginning July 1, 2013, and ending June 30, 2015. Notwithstanding any other provision of law, the office of management and budget shall deposit any funds designated for the purse fund and racing promotion fund under section 53-06.2-11 in the breeders' fund until the deposits equal the transfers made to the purse fund and racing promotion fund as provided under this section.

SECTION 16. PROCUREMENT REQUIREMENTS - DEPARTMENT OF TRANSPORTATION AIRPLANE REPLACEMENT. The purchase of airplanes by the department of transportation under the authorization granted in section 5 of House Bill No. 1033, as approved by the sixty-third legislative assembly, is exempt from the procurement provisions of chapter 54-44.4 and any rules or policies adopted pursuant to that chapter.

SECTION 17. USE OF FUNDS - DEPARTMENT OF HUMAN SERVICES. The department of human services may use a portion of the funds appropriated for grants to critical access hospitals in section 10 of House Bill No. 1358, as approved by the sixty-third legislative assembly, for the purpose of providing a grant to an organization to assist hospitals in developing a system to verify patient personal and health insurance information. The requirements of chapter 54-44.4 do not apply to the selection of a grantee, the grant award, or payments made under this section. The organization that receives the grant shall provide reports on the development and impact of the system to the department of human services in December and June of each year of the biennium.

SECTION 18. DEPARTMENT OF HUMAN SERVICES - BUDGET SAVINGS - CONTINGENT GRANT. If the department of human services has not projected a 2013-15 biennium appropriation deficiency on or after July 1, 2014, the department of human services may award a grant from its general fund appropriation to an entity eligible under subsection 2 of section 50-01.2-03.2 as defined in section 12 of House Bill No. 1012, as approved by the sixty-third legislative assembly, for the period beginning July 1, 2014, and ending June 30, 2015. The amount provided under this section is in addition to, and may not exceed, the total amount provided under section 12 of House Bill No. 1012, as approved by the sixty-third legislative assembly.

SECTION 19. AMENDMENT. Section 14-03.2-05 of the North Dakota Century Code as created by section 1 of House Bill No. 1128, as approved by the sixty-third legislative assembly, is amended and reenacted as follows:

14-04.3-05. Formation requirements.

A premarital agreement or marital agreement must be in a record and signed by both parties. The agreement is enforceable without consideration. ~~A marital agreement created pursuant to this chapter must be signed within the first one hundred twenty days of the marriage."~~

Page 6, after line 8, insert:

"SECTION 21. AMENDMENT. Subsection 1 of section 23-35-07 of the North Dakota Century Code is amended and reenacted as follows:

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1. A district board of health shall prepare a budget for the next fiscal year at the time at which and in the manner in which a county budget is adopted and shall submit this budget to the joint board of county commissioners for approval. The amount budgeted and approved must be prorated in health districts composed of more than one county among the various counties in the health district according to the taxable valuation of the respective counties in the health district. For the purpose of this section, "prorated" means that each member county's contribution must be based on an equalized mill levy throughout the district, except as otherwise permitted under subsection 3 of section 23-35-05. Within ten days after approval by the joint board of county commissioners, the district board of health shall certify the budget to the respective county auditors and the budget must be included in the levies of the counties. The budget, not including gifts, grants, donations, and contributions, may not exceed the amount that can be raised by a levy of five mills on the taxable valuation, subject to public hearing in each county in the health district at least fifteen days before an action taken by the joint board of county commissioners. Action taken by the joint board of county commissioners must be based on the record, including comments received at the public hearing. A levy under this section is not subject to the limitation on the county tax levy for general and special county purposes. The amount derived by a levy under this section must be placed in the health district fund. The health district fund must be deposited with and disbursed by the treasurer of the district board of health. Each county in a health district quarterly shall remit and make settlements with the treasurer. Any funds remaining in the fund at the end of any fiscal year may be carried over to the next fiscal year.

SECTION 22. AMENDMENT. Subsection 4 of section 23-35-08 of the North Dakota Century Code is amended and reenacted as follows:

4. May accept and ~~receive~~expend any gift, grant, donation, or other contribution offered to aid in the work of the board of health or public health unit.

SECTION 23. AMENDMENT. Subsection 2 of section 41-09-87 of the North Dakota Century Code, as effective after June 30, 2013, is amended and reenacted as follows:

2. Filing does not occur with respect to a record that a filing office refuses to accept because:
 - a. The record is not communicated by a method or medium of communication authorized by the filing office;
 - b. An amount equal to or greater than the applicable filing fee is not tendered;
 - c. The filing office is unable to index the record because:
 - (1) In the case of an initial financing statement, the record does not provide a name for the debtor;
 - (2) In the case of an amendment or information statement, the record:

- (a) Does not identify the initial financing statement as required by section 41-09-83 or 41-09-89, as applicable; or
- (b) Identifies an initial financing statement whose effectiveness has lapsed under section 41-09-86;
- (3) In the case of an initial financing statement that provides the name of a debtor identified as an individual or an amendment that provides a name of a debtor identified as an individual which was not previously provided in the financing statement to which the record relates, the record does not identify the debtor's surname; or
- (4) In the case of a record filed or recorded in the filing office described in subdivision a of subsection 1 of section 41-09-72, the record does not provide a sufficient description of the real property to which it relates;
- d. In the case of an initial financing statement or an amendment that adds a secured party of record, the record does not provide a name and mailing address for the secured party of record;
- e. In the case of an initial financing statement or an amendment that provides a name of a debtor which was not previously provided in the financing statement to which the amendment relates, the record does not:
 - (1) Provide a mailing address for the debtor; or
 - (2) Indicate whether the name provided as the name of the debtor is the name of an individual or an organization;
- f. In the case of an assignment reflected in an initial financing statement under subsection 1 of section 41-09-85 or an amendment filed under subsection 2 of section 41-09-85, the record does not provide a name and mailing address for the assignee; or
- g. In the case of a continuation statement, the record is not filed within the six-month period prescribed by subsection 4 of section 41-09-86; or
- h. The record does not contain the social security number or the internal revenue service taxpayer identification number of the debtor.

SECTION 24. AMENDMENT. Section 48-10-02 of the North Dakota Century Code is amended and reenacted as follows:

48-10-02. Capitol building fund to be administered by the capitol grounds planning commission - Continuing appropriation - Procedure for expenditure of certain funds.

The capitol grounds planning commission shall have general powers to superintend the administration of the capitol building fund, its interest and income fund, and its investments and properties. It may cause any lands now held in such funds to be sold at market value, direct the conversion of any securities now held by such funds to cash, approve expenditures from such funds subject to law and legislative appropriations, and to do all other things necessary to carry out the intent and

purposes of this section. The board of university and school lands or its designee, on the commission's behalf, shall see to the investment and management of the capitol building fund and its interest and income fund and shall account to the commission concerning these funds at the commission's request.

Provided further, all moneys and other property in the capitol building fund, except as otherwise appropriated, are hereby dedicated and reserved to the exclusive purpose of the construction of an addition to the legislative wing of the state capitol building, and the capitol grounds planning commission shall take necessary steps to accumulate and conserve the money and property in the capitol building fund for such purpose.

The commission may, during any biennium, expend from the interest and income fund of the capitol building fund a sum not to exceed fifty percent of the unencumbered balance on the first day of any biennium, and such amount is hereby appropriated to the capitol grounds planning commission. The expenditure may be made, after consideration of the capitol grounds master plan, for projects or planning but ~~shall may~~ not exceed one hundred seventy-five thousand dollars per biennium. The expenditure may only be made upon approval by two-thirds of the total membership of the commission. The expenditure must be made upon a voucher, or vouchers, prepared by the office of management and budget at the direction of the commission.

SECTION 25. AMENDMENT. Section 54-44.1-04 of the North Dakota Century Code is amended and reenacted as follows:

54-44.1-04. (Effective through July 31, 2013) Budget estimates of budget units filed with the office of the budget - Deadline.

The head of each budget unit, not later than July fifteenth of each year next preceding the session of the legislative assembly, shall submit to the office of the budget, estimates of financial requirements of the person's budget unit for the next two fiscal years, on the forms and in the manner prescribed by the office of the budget, with such explanatory data as is required by the office of the budget and such additional data as the head of the budget unit wishes to submit. The budget estimates for the North Dakota university system must include block grants for the university system for a base funding component and for an initiative funding component for specific strategies or initiatives and a budget estimate for an asset funding component for renewal and replacement of physical plant assets at the institutions of higher education. The estimates so submitted must bear the approval of the board or commission of each budget unit for which a board or commission is constituted. The director of the budget in the director's discretion may extend the filing date for any budget unit if the director finds there is some circumstance that makes it advantageous to authorize the extension. If a budget unit has not submitted its estimate of financial requirements by the required date or within a period of extension set by the director of the budget, the director of the budget shall prepare the budget unit's estimate of financial requirements except the estimate may not exceed ninety percent of the budget unit's previous biennial appropriation. The director of the budget or a subordinate officer as the director designates shall examine the estimates and shall afford to the heads of budget units reasonable opportunity for explanation in regard thereto and, when requested, shall grant to the heads of budget units a hearing thereon which must be open to the public.

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(Effective after July 31, 2013) Budget estimates of budget units filed with the office of the budget - Deadline.

The head of each budget unit, not later than July fifteenth of each year next preceding the session of the legislative assembly, shall submit to the office of the budget, estimates of financial requirements of the person's budget unit for the next two fiscal years, on the forms and in the manner prescribed by the office of the budget, with such explanatory data as is required by the office of the budget and such additional data as the head of the budget unit wishes to submit. The estimates so submitted must bear the approval of the board or commission of each budget unit for which a board or commission is constituted. The director of the budget may extend the filing date by up to sixty days for any budget unit if the director finds there is some circumstance that makes it advantageous to authorize the extension. If a budget unit has not submitted its estimate of financial requirements by the required date or within a period of extension of up to sixty days set by the director of the budget, the director of the budget shall prepare the budget unit's estimate of financial requirements except the estimate may not exceed ninety percent of the budget unit's previous biennial appropriation. The director of the budget or a subordinate officer as the director shall designate shall examine the estimates and shall afford to the heads of budget units reasonable opportunity for explanation in regard thereto and, when requested, shall grant to the heads of budget units a hearing thereon which must be open to the public."

Page 6, line 12, remove "for inclusion in the state"

Page 6, line 13, remove "budget database website"

Page 6, line 13, replace "in" with "on"

Page 6, line 13, remove "budget"

Page 6, line 14, replace "database" with "office of management and budget"

Page 6, line 14, replace the second "any" with "a"

Page 6, after line 20, insert:

"SECTION 27. AMENDMENT. Subsection 1 of section 57-02-08.1 of the North Dakota Century Code as amended by Senate Bill No. 2171, as approved by the sixty-third legislative assembly, is amended and reenacted as follows:

1. a. Any person sixty-five years of age or older or permanently and totally disabled, in the year in which the tax was levied, with an income that does not exceed the limitations of subdivision c is entitled to receive a reduction in the assessment on the taxable valuation on the person's homestead. An exemption under this subsection applies regardless of whether the person is the head of a family.
- b. The exemption under this subsection continues to apply if the person does not reside in the homestead and the person's absence is due to confinement in a nursing home, hospital, or other care facility, for as long as the portion of the homestead previously occupied by the person is not rented to another person.
- c. The exemption must be determined according to the following schedule:

- (1) If the person's income is not in excess of twenty-two thousand dollars, a reduction of one hundred percent of the taxable valuation of the person's homestead up to a maximum reduction of four thousand five hundred dollars of taxable valuation.
 - (2) If the person's income is in excess of twenty-two thousand dollars and not in excess of twenty-six thousand dollars, a reduction of eighty percent of the taxable valuation of the person's homestead up to a maximum reduction of three thousand six hundred dollars of taxable valuation.
 - (3) If the person's income is in excess of twenty-six thousand dollars and not in excess of thirty thousand dollars, a reduction of sixty percent of the taxable valuation of the person's homestead up to a maximum reduction of two thousand seven hundred dollars of taxable valuation.
 - (4) If the person's income is in excess of thirty thousand dollars and not in excess of thirty-four thousand dollars, a reduction of forty percent of the taxable valuation of the person's homestead up to a maximum reduction of one thousand eight hundred dollars of taxable valuation.
 - (5) If the person's income is in excess of thirty-four thousand dollars and not in excess of thirty-eight thousand dollars, a reduction of twenty percent of the taxable valuation of the person's homestead up to a maximum reduction of nine hundred dollars of taxable valuation.
 - (6) If the person's income is in excess of thirty-eight thousand dollars and not in excess of forty-two thousand dollars, a reduction of ten percent of the taxable valuation of the person's homestead up to a maximum reduction of four hundred fifty dollars of taxable valuation.
- d. Persons residing together, as spouses or when one or more is a dependent of another, are entitled to only one exemption between or among them under this subsection. Persons residing together, who are not spouses or dependents, who are coowners of the property are each entitled to a percentage of a full exemption under this subsection equal to their ownership interests in the property.
 - e. This subsection does not reduce the liability of any person for special assessments levied upon any property.
 - f. Any person claiming the exemption under this subsection shall sign a verified statement of facts establishing the person's eligibility.
 - g. A person is ineligible for the exemption under this subsection if the value of the assets of the person and any dependent residing with the person exceeds five hundred thousand dollars, including the value of any assets divested within the last three years.
 - h. The assessor shall attach the statement filed under subdivision f to the assessment sheet and shall show the reduction on the assessment sheet.

- i. An exemption under this subsection terminates at the end of the taxable year of the death of the applicant.

SECTION 28. AMENDMENT. Subdivision e of subsection 1 of section 62.1-04-03 of the North Dakota Century Code as amended by House Bill No. 1327, as approved by the sixty-third legislative assembly, is amended and reenacted as follows:

- e. The applicant satisfactorily completes the bureau of criminal investigation application form and has successfully passed the criminal history records check conducted by the bureau of criminal investigation and the federal bureau of investigation. The applicant shall provide all documentation relating to any court-ordered treatment or commitment for mental health or alcohol or substance abuse. The applicant shall provide the director of the bureau of criminal investigation written authorizations for disclosure of the applicant's mental health and alcohol or substance abuse evaluation and treatment records. The bureau may deny approval for a ~~class 1 firearm~~ license if the bureau has reasonable cause to believe that the applicant or licenseholder has been or is a danger to self or others as demonstrated by evidence, including past pattern of behavior involving unlawful violence or threats of unlawful violence; past participation in incidents involving unlawful violence or threats of unlawful violence; or conviction of a weapons offense. In determining whether the applicant or licenseholder has been or is a danger to self or others, the bureau may inspect expunged records of arrests and convictions of adults and juvenile court records; and

SECTION 29. AMENDMENT. Section 12 of House Bill No. 1012, as approved by the sixty-third legislative assembly, is amended and reenacted as follows:

SECTION 12. GRANTS. The grants line item in subdivision 2 of section 1 of this Act includes \$300,000, or so much of the sum as may be necessary, from the general fund for grants to a jurisdiction that is adjacent to an Indian reservation but does not receive reimbursement payments under section 50-01.2-03.2 and is determined by the department of human services to be the most significantly impacted based on calendar year 2012 data for the first year of the biennium and calendar year 2013 data for the second year of the biennium considering the provisions of subsection 2 of section 50-01.2-03.2, for the biennium beginning July 1, 2013, and ending June 30, 2015. ~~No more than fifty percent of this appropriation may be distributed in each fiscal year of the biennium.~~

SECTION 30. AMENDMENT. Section 1 of House Bill No. 1019, as approved by the sixty-third legislative assembly, is amended and reenacted as follows:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the parks and recreation department for the purpose of defraying the expenses of the parks and recreation department and for providing a grant to the International Peace Garden, for the biennium beginning July 1, 2013, and ending June 30, 2015, as follows:

Subdivision 1.

13062

PARKS AND RECREATION DEPARTMENT

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Administration	\$2,484,885	\$188,708	\$2,673,593
Accrued leave payments	0	181,577	181,577
Natural resources	12,768,203	8,325,122	21,093,325
Recreation	<u>7,489,091</u>	<u>(1,403,216)</u>	<u>6,085,875</u>
Total all funds	\$22,742,179	\$7,292,194	\$30,034,370
Less estimated income	<u>11,641,632</u>	<u>359,199</u>	<u>12,000,731</u>
Total general fund	\$11,100,647	\$6,932,992	\$18,033,639
Full-time equivalent positions	54.00	1.00	55.00
<u>Administration</u>	<u>\$2,484,885</u>	<u>\$188,708</u>	<u>\$2,673,593</u>
<u>Accrued leave payments</u>	<u>0</u>	<u>181,577</u>	<u>181,577</u>
<u>Natural resources</u>	<u>12,768,203</u>	<u>7,875,122</u>	<u>20,643,325</u>
<u>Recreation</u>	<u>7,489,091</u>	<u>(1,403,216)</u>	<u>6,085,875</u>
<u>Total all funds</u>	<u>\$22,742,179</u>	<u>\$6,842,191</u>	<u>\$29,584,370</u>
<u>Less estimated income</u>	<u>11,641,532</u>	<u>134,199</u>	<u>11,775,731</u>
<u>Total general fund</u>	<u>\$11,100,647</u>	<u>\$6,707,992</u>	<u>\$17,808,639</u>
<u>Full-time equivalent positions</u>	<u>54.00</u>	<u>1.00</u>	<u>55.00</u>

Subdivision 2.

INTERNATIONAL PEACE GARDEN

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
International Peace Garden	\$773,699	\$1,450,000	\$2,223,699
Total general fund	\$773,699	\$1,450,000	\$2,223,699

Subdivision 3.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$11,874,346	\$8,382,992	\$20,257,338
Grand total special funds	<u>11,641,632</u>	<u>359,199</u>	<u>12,000,731</u>
Grand total all funds	\$23,515,878	\$8,742,194	\$32,258,069
<u>Grand total general fund</u>	<u>\$11,874,346</u>	<u>\$8,157,992</u>	<u>\$20,032,338</u>
<u>Grand total special funds</u>	<u>11,641,532</u>	<u>134,199</u>	<u>11,775,731</u>
<u>Grand total all funds</u>	<u>\$23,515,878</u>	<u>\$8,292,191</u>	<u>\$31,808,069</u>

SECTION 31. AMENDMENT. Section 5 of House Bill No. 1020, as approved by the sixty-third legislative assembly, is amended and reenacted as follows:

SECTION 5. BANK OF NORTH DAKOTA LOAN - WESTERN AREA WATER SUPPLY AUTHORITY. The Bank of North Dakota shall provide a loan of \$40,000,000 to the western area water supply authority for construction of the project. The terms and conditions of the loan must be negotiated by the western area water supply authority and the Bank of North Dakota and any previous loans may be added to and merged into this loan ~~previous loans~~ as agreed by the authority ~~industrial commission~~ and the Bank of North Dakota. The authority may repay the loan from income from specific project features. ~~If the authority is in default in the~~

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~~payment of the principal of or interest on the obligation to the Bank of North Dakota for the loan, the authority is subject to the default provisions under section 61-40-09.~~

SECTION 32. AMENDMENT. Section 5 of House Bill No. 1358, as approved by the sixty-third legislative assembly, is amended and enacted as follows:

SECTION 5. APPROPRIATION - DEPARTMENT OF TRANSPORTATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$160,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of allocation as provided in this section among oil-producing counties that received \$5,000,000 or more of allocations under subsection 2 of section 57-51-15 in the state fiscal year ending June 30, ~~2012~~2013, for the biennium beginning July 1, 2013, and ending June 30, 2015.

1. The sum appropriated in this section must be used to rehabilitate or reconstruct county paved and unpaved roads and bridges needed to support oil and gas production and distribution in North Dakota.
 - a. Funding allocations to counties are to be made by the department of transportation based on data supplied by the upper great plains transportation institute.
 - b. Counties identified in the data supplied by the upper great plains transportation institute which received \$5,000,000 or more of allocations under subsection 2 of section 57-51-15 for the state fiscal year ending June 30, ~~2012~~2013, are eligible for this funding.
2. Each county requesting funding under this section for county road and bridge projects shall submit the request in accordance with criteria developed by the department of transportation.
 - a. The request must include a proposed plan for funding projects that rehabilitate or reconstruct paved and unpaved roads and bridges within the county.
 - b. The plan must be based on data supplied by the upper great plains transportation institute, actual road and bridge conditions, and integration with state highway and other county projects.
 - c. Projects funded under this section must comply with the American association of state highway transportation officials (AASHTO) pavement design procedures and the department of transportation local government requirements. Upon completion of major reconstruction projects, the roadway segment must be posted at a legal load limit of 105,500 pounds [47853.993 kilograms].
 - d. Funds may not be used for routine maintenance.
3. The department of transportation, in consultation with the county, may approve the plan or approve the plan with amendments.
4. The funding appropriated in this section may be used for:

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- a. Ninety percent of the cost of the approved projects not to exceed the funding available for that county.
 - b. Funding may be used for construction, engineering, and plan development costs.
5. Upon approval of the plan, the department of transportation shall transfer to the county the approved funding for engineering and plan development costs.
 6. Upon execution of a construction contract by the county, the department of transportation shall transfer to the county the approved funding to be distributed for county and township rehabilitation and reconstruction projects.
 7. The recipient counties shall report to the department of transportation upon awarding of each contract and upon completion of each project in a manner prescribed by the department.
 8. The funding under this section may be applied to engineering, design, and construction costs incurred on related projects as of January 1, 2013.
 9. For purposes of this section, a "bridge" is a structure that has an opening of more than 20 feet [6.096 meters] as measured along the centerline of the roadway. It may also be the clear openings of more than 20 feet [6.096 meters] of a group of pipes as long as the pipes are spaced less than half the distance apart of the smallest diameter pipe.
 10. Section 54-44.1-11 does not apply to funding under this section. Any funds not spent by June 30, 2015, must be continued into the biennium beginning July 1, 2015, and ending June 30, 2017, and may be expended only for purposes authorized by this section.

SECTION 33. AMENDMENT. Section 6 of House Bill No. 1358, as approved by the sixty-third legislative assembly, is amended and enacted as follows:

SECTION 6. APPROPRIATION - DEPARTMENT OF TRANSPORTATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$120,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of allocation among counties that did not receive \$5,000,000 or more of allocations under subsection 2 of section 57-51-15 in the state fiscal year ending June 30, ~~2012~~2013, for the biennium beginning July 1, 2013, and ending June 30, 2015. The amounts available for allocation under this section must be distributed on or after February 1, 2014.

1. The sum appropriated in this section must be used to rehabilitate or reconstruct county paved and unpaved roads and bridges needed to support economic activity in North Dakota.
 - a. To be eligible to receive an allocation under this section, a county may not have received \$5,000,000 or more of allocations under subsection 2 of section 57-51-15 during the state fiscal year ending June 30, ~~2012~~2013.

- b. Allocations among eligible counties under this section must be based on the miles of roads defined by the department of transportation as county major collector roadways in each county.
- c. The department of transportation may use data supplied by the upper great plains transportation institute in determining the projects to receive funding under this section.
- 2. Each county requesting funding under this section shall submit the request in accordance with criteria developed by the department of transportation.
 - a. The request must include a proposed plan for funding projects that rehabilitate or reconstruct paved and unpaved roads and bridges within the county.
 - b. The plan must be based on actual road and bridge conditions and the integration of projects with state highway and other county projects.
 - c. Projects funded under this section must comply with the American association of state highway transportation officials (AASHTO) pavement design procedures and the department of transportation local government requirements. Upon completion of major reconstruction projects, the roadway segment must be posted at a legal load limit of 105,500 pounds [47853.993 kilograms].
 - d. Funds may not be used for routine maintenance.
- 3. The department of transportation, in consultation with the county, may approve the plan or approve the plan with amendments.
- 4. The funding appropriated in this section may be used for:
 - a. Ninety percent of the cost of the approved projects not to exceed the funding available for that county.
 - b. Funding may be used for construction, engineering, and plan development costs.
- 5. Upon approval of the plan, the department of transportation shall transfer to the county the approved funding for engineering and plan development costs.
- 6. Upon execution of a construction contract by the county, the department of transportation shall transfer to the county the approved funding to be distributed for county and township rehabilitation and reconstruction projects.
- 7. The recipient counties shall report to the department of transportation upon awarding of each contract and upon completion of each project in a manner prescribed by the department.
- 8. The funding under this section may be applied to engineering, design, and construction costs incurred on related projects as of January 1, 2013.
- 9. For purposes of this section, a "bridge" is a structure that has an opening of more than 20 feet [6.096 meters] as measured along the centerline of the roadway. It may also be the clear openings of more than 20 feet

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[6.096 meters] of a group of pipes as long as the pipes are spaced less than half the distance apart of the smallest diameter pipe.

- 10. Section 54-44.1-11 does not apply to funding under this section. Any funds not spent by June 30, 2015, must be continued into the biennium beginning July 1, 2015, and ending June 30, 2017, and may be expended only for purposes authorized by this section.

SECTION 34. AMENDMENT. Section 7 of House Bill No. 1358, as approved by the sixty-third legislative assembly, is amended and enacted as follows:

SECTION 7. APPROPRIATION - STATE TREASURER. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$8,760,000, or so much of the sum as may be necessary, to the state treasurer for allocation to counties for allocation to or for the benefit of townships in oil-producing counties, for the biennium beginning July 1, 2013, and ending June 30, 2015. The funding provided in this section must be distributed in equal amounts in July 2013 and May 2014. The state treasurer shall distribute the funds provided under this section as soon as possible to counties and the county treasurer shall allocate the funds to or for the benefit of townships in oil-producing counties through a distribution of \$15,000 each year to each organized township and a distribution of \$15,000 each year for each unorganized township to the county in which the unorganized township is located. For unorganized townships within the county, the board of county commissioners may expend an appropriate portion of revenues under this subdivision for township roads or other infrastructure needs in those townships. A township is not eligible for an allocation of funds under this section if the township does not maintain any township roads. For the purposes of this section, an "oil-producing county" means a county that received an allocation of funding under section 57-51-15 of more than \$500,000 but less than \$5,000,000 in the state fiscal year ending June 30, ~~2012~~2013.

SECTION 35. AMENDMENT. Section 15 of Senate Bill No. 2018, as approved by the sixty-third legislative assembly, is amended and reenacted as follows:

Research North Dakota grants.

The department shall establish and administer a research North Dakota grant program to provide grants to a research university for research, development, and commercialization activities related to a private sector partner. The centers of excellence commission, established under chapter 15-69, shall make grant award determinations under this section. The department shall work with the centers of excellence commission in establishing guidelines to qualify for a grant under this section, including the requirement that an application must be accompanied by a partnership agreement between the private sector partner and a research university. The agreement must include details regarding the scope of the work, the budget, the location of the work to be completed, the intellectual property ownership rights, and the intellectual property income distribution. The commission may approve changes to the scope of the work or the budget only to the extent that the changes are agreed upon by the private sector partner and the research university.

180621

Before the commission directs the department to distribute funds awarded under this section, the research university shall provide the commission with detailed documentation of private sector participation and the availability of one dollar of matching funds for each dollar of state funds to be distributed. Matching funds must be in the form of cash ~~given to the research university~~ and may not include in-kind assets.

SECTION 36. LEGISLATIVE INTENT - CAPITOL GROUNDS PARKING LOT PROJECT. It is the intent of the sixty-third legislative assembly that the office of management and budget, in improving the parking lots on the capitol grounds during the biennium beginning July 1, 2013, and ending June 30, 2015, not reduce the number of parking spaces or the size of the legislative parking lot west of the capitol building."

Page 6, line 22, replace "study" with "consider studying"

Page 6, line 26, replace "As part of the study, the legislative management shall" with "The study, if conducted, must"

Page 7, after line 19, insert:

"SECTION 40. LEGISLATIVE MANAGEMENT STUDY - FOUNDATION AID STABILIZATION FUND. The legislative management shall consider studying during the 2013-14 interim the foundation aid stabilization fund, including anticipated growth in the fund, appropriate funding levels, options for the disposition of excess funding if appropriate funding levels are exceeded, the reallocation of oil extraction taxes currently being deposited in the fund, and the feasibility and desirability of proposing changes to the constitution relating to the foundation aid stabilization fund. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly."

Page 7, line 20, replace "11" with "26"

Page 7, line 21, after "2014" insert "and section 27 of this Act is effective for taxable years after December 31, 2012"

Page 7, after line 21, insert:

"SECTION 42. CONTINGENT EFFECTIVE DATE. Section 23 of this Act becomes effective August 1, 2015, or earlier if the secretary of state makes a report to the legislative management and to the information technology committee certifying that the information technology components of the electronic filing system are ready for implementation of section 23 of this Act, in which case section 23 of this Act becomes effective ninety days following the completion of the certificate requirement.

SECTION 43. EMERGENCY. Sections 21, 23, 27, 28, 29, 30, and 37, \$200,000 included in the operations line item in subdivision 8 of section 1 for the Theodore Roosevelt center, \$5,000,000 included in the operations line item in subdivision 10 of section 1 for flood recovery funding, and the capital assets, master plan and space utilization study, and deferred maintenance pool line items in section 1 of Senate Bill No. 2003, as approved by the sixty-third legislative assembly, are declared to be an emergency measure."

Renumber accordingly

19082-1

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1015 - Office of Management and Budget - Conference Committee Action

	Executive Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$20,904,344	\$19,719,302	\$234,013	\$19,953,315	\$19,953,315	
Operating expenses	14,696,788	14,226,788	170,000	14,396,788	14,746,788	(350,000)
Capital assets	9,796,065	5,796,065	4,155,000	9,951,065	9,951,065	
Grants	430,000	430,000		430,000	430,000	
Emergency Commission contingency fund	700,000	1,000,000	(300,000)	700,000	700,000	
Prairie Public Broadcasting	2,037,138	1,537,138	400,000	1,937,138	2,037,138	(100,000)
State student internship program	200,000	200,000		200,000	200,000	
Health insurance pool - temp employees	2,000,000		2,000,000	2,000,000	2,000,000	
Accrued leave payments		570,412		570,412	570,412	
Transfer to property tax fund		373,210,000	(58,000,000)	315,210,000	373,210,000	(58,000,000)
State agency energy impact pool			8,500,000	8,500,000	8,500,000	
Total all funds	\$50,764,335	\$416,689,705	(\$42,840,987)	\$373,848,718	\$432,298,718	(\$58,450,000)
Less estimated income	9,589,395	8,669,598	5,561,032	14,230,630	14,230,630	0
General fund	\$41,174,940	\$408,020,107	(\$48,402,019)	\$359,618,088	\$418,068,088	(\$58,450,000)
FTE	131.50	130.50	0.00	130.50	130.50	0.00

Department No. 110 - Office of Management and Budget - Detail of Conference Committee Changes

	Removes House Changes to Executive Compensation Package ¹	Adjusts State Employee Compensation and Benefits Package ²	Adjusts Line Item Funding for Central Services Operations ³	Restores a Portion of Funding to Contract with Auditors ⁴	Removes Funding for State Database Website ⁵	Restores Funding for Parking Lot Project ⁶
Salaries and wages	\$654,359	(\$295,346)	(\$125,000)			
Operating expenses			(30,000)	300,000	(100,000)	
Capital assets			155,000			4,000,000
Grants						
Emergency Commission contingency fund						
Prairie Public Broadcasting						
State student internship program						
Health insurance pool - temp employees						
Accrued leave payments						
Transfer to property tax fund						
State agency energy impact pool						
Total all funds	\$654,359	(\$295,346)	\$0	\$300,000	(\$100,000)	\$4,000,000
Less estimated income	110,701	(49,669)	0	0	0	0
General fund	\$543,658	(\$245,677)	\$0	\$300,000	(\$100,000)	\$4,000,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00
	Reduces Funding for State Contingencies ⁷	Restores One-Time Funding for Prairie Public Broadcasting ⁸	Restores Health Insurance Pool for Temporary Employees ⁹	Reduces Transfer to Property Tax Relief Sustainability Fund ¹⁰	Adds State Agency Energy Development Impact Pool ¹¹	Total Conference Committee Changes
Salaries and wages						\$234,013
Operating expenses						170,000
Capital assets						4,155,000

2016

Grants						
Emergency Commission contingency fund	(300,000)					(300,000)
Prairie Public Broadcasting State student internship program		400,000				400,000
Health insurance pool - temp employees			2,000,000			2,000,000
Accrued leave payments				(58,000,000)		(58,000,000)
Transfer to property tax fund					8,500,000	8,500,000
State agency energy impact pool						
Total all funds	(\$300,000)	\$400,000	\$2,000,000	(\$58,000,000)	\$8,500,000	(\$42,840,987)
Less estimated income	0	0	1,000,000	0	4,500,000	5,561,032
General fund	(\$300,000)	\$400,000	\$1,000,000	(\$58,000,000)	\$4,000,000	(\$48,402,019)
FTE	0.00	0.00	0.00	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 the market component from 2 to 4 percent per year to 1 to 2 percent per year for employees below the midpoint of their salary range.
- 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.

³ Special funds authority added by the House for Central Services operations is adjusted among line items to reflect anticipated expenses. The Senate also adjusted the funding among line items.

⁴ Funding removed by the House to allow the Office of Management and Budget to contract with external auditors for certain audits is restored to a level of \$300,000. The Senate restored the entire amount of \$600,000 as included in the executive budget recommendation.

⁵ Funding added by the House for costs associated with the implementation of a political subdivision-reporting component for the state database website is removed. The section added by the House allowing political subdivisions to report data is revised and included in the amendment. The Senate removed the section.

⁶ One-time funding from the general fund removed by the House for Capitol grounds parking lot projects is restored. The Senate also restored the funding. A section of legislative intent is also added regarding the parking lot project.

⁷ Funding for the state contingency fund is reduced from \$1,000,000 to \$700,000, the same amount as provided in the executive budget recommendation and Senate versions.

⁸ A portion of one-time funding for Prairie Public Broadcasting equipment upgrades is restored to provide total one-time funding of \$600,000. The House provided one-time funding of \$200,000 and the Senate provided one-time funding of \$700,000.

⁹ Funding removed by the House for a health insurance pool for temporary employees is restored. A section is added to allow the Office of Management and Budget to transfer funds from the pool to other state agencies. The Senate also restored the funding and related section.

¹⁰ The transfer to the property tax relief sustainability fund from the general fund is reduced from \$373,210,000 to \$315,210,000.

¹¹ A section is added to provide funding and guidelines for a state agency energy impact funding pool. The pool is to be used to address housing and salary needs of state agency employees living in areas

21021

affected by energy development. The Senate also added funding and guidelines for a state agency energy impact funding pool.

This amendment also:

- Transfers \$520 million from the strategic investment and improvements fund to the general fund during the 2013-15 biennium.
- Adds a section to provide guidelines regarding the allocation of community service supervision grants and provides that any funding available in the community service supervision fund is appropriated to the Office of Management and Budget for distribution to community corrections association regions. The Senate also added this section.
- Adjusts Sections 8 and 9 regarding state employee compensation guidelines and agency accrued leave payments line items, the same as the Senate.
- Amends Section 48-10-02 to increase the continuing appropriation provided from the Capitol building fund to the Capitol Grounds Planning Commission from \$100,000 per biennium to \$175,000 per biennium. The Senate increased the continuing appropriation authority to \$250,000.
- Adjusts Section 11 relating to political subdivisions submitting information for inclusion on the state budget website.
- Amends Section 14-03.2-05 as approved in House Bill No. 1128 relating to premarital agreements.
- Amends Section 23-35-07 relating to health district budgets.
- Amends Section 5 of House Bill No. 1020 regarding Western Area Water Supply Authority loans.
- Amends a subdivision of Section 62.1-04-03 as approved in House Bill No. 1327 regarding concealed weapons permits.
- Provides an exemption from state procurement requirements as it relates to airplane purchases by the Department of Transportation.
- Amends a subsection of Section 41-09-87 regarding Uniform Commercial Code filings.
- Amends Section 54-44.1-04 relating to the submission of state agency budget requests to the Office of Management and Budget.
- Authorizes the Racing Commission to transfer funds from the breeders' fund to the purse fund and racing promotion fund to promote additional horse races in the state during the 2013-15 biennium.
- Adds a section to allow the Department of Human Services to use funds to provide a grant to an organization assisting hospitals in developing software for patient verification.
- Amends Section 12 of House Bill No. 1012 and adds a section to allow the Department of Human Services to award a grant to a jurisdiction adjacent to an Indian reservation that administers human services programs.
- Amends Section 15 of Senate Bill No. 2018 regarding Research North Dakota grants.
- Adds a Legislative Management study of uses of the foundation aid stabilization fund.
- Includes sections added by the House providing for Legislative Management studies of state agency facility needs and appropriations for state agency salaries and wages. The Senate removed these sections.
- Provides an exception to the calculation of general fund transfers to the budget stabilization fund.
- Amends Sections 5, 6, and 7 of House Bill No. 1358 relating to transportation funding distributions.
- Amends Section 1 of House Bill No. 1019 regarding appropriations for the Parks and Recreation Department.
- Amends a subsection of Section 57-02-08.1 as approved in Senate Bill No. 2171 regarding the homestead tax credit.
- Declares certain portions of Senate Bill No. 2003 to be an emergency.

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Appropriations

Bill/Resolution No. HB 1015 as engrossed

Date: 5-3-13

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) --

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

Engrossed HB 1015 was placed on the Seventh order of business on the calendar

Motion Made by: Senator Holmberg Seconded by: Representative Onstad

Representatives	4/27	5/3	5/3	Yes	No		Senators	4/27	5/3	5/3	Yes	No
Carlson (Chair)	X	✓	✓	✓			Holmberg	X	✓	✓	✓	
Delzer	X	✓	✓	✓			Wardner	X	✓	✓	✓	
Onstad	X	✓	✓	✓			Schneider	X	✓	✓	✓	

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

To reduce the amount from \$600,000 (Senate version) to \$300,000 for contracting external auditors

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Appropriations

Bill/Resolution No. HB 1015 as engrossed

Date: 5-13-13

Roll Call Vote #: 2

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) --

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

Engrossed HB 1015 was placed on the Seventh order of business on the calendar

Motion Made by: Senator Holmberg Seconded by: Senator Schneider

Representatives				Yes	No	Senators				Yes	No
Carlson (Chair)				✓		Holmberg				✓	
Delzer				✓		Wardner				✓	
Onstad				✓		Schneider				✓	

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

*Missouri River to remove \$50,000 + land use study
Correctional Center*

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Appropriations

Bill/Resolution No. HB 1015 as engrossed

Date: 5-3-13

Roll Call Vote #: 4

- 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) ---

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

Engrossed HB 1015 was placed on the Seventh order of business on the calendar

Motion Made by: Senator Holmberg Seconded by: Sen Wardner

Representatives	Yes	No		Senators	Yes	No
Carlson (Chair)	✓			Holmberg	✓	
Delzer	✓			Wardner	✓	
Onstad	✓			Schneider	✓	

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

reinstate section 12 state agency facility needs study
with language shall consider

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Appropriations

Bill/Resolution No. HB 1015 as engrossed

Date: 5-3-13

Roll Call Vote #: 5

- 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) --

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

Engrossed HB 1015 was placed on the Seventh order of business on the calendar

Motion Made by: Senator Holmberg Seconded by: Delzer

Representatives				Yes	No					Yes	No
Carlson (Chair)				✓		Holmberg				✓	
Delzer				✓		Wardner				✓	
Onstad				✓		Schneider				✓	

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Reinstate Section 13 from House version

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Appropriations

Bill/Resolution No. HB 1015 as engrossed

Date: 5-3-13

Roll Call Vote #: 6

- 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) --

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

Engrossed HB 1015 was placed on the Seventh order of business on the calendar

Motion Made by: Holmberg Seconded by: Wardner

Representatives				Yes	No	Senators				Yes	No
Carlson (Chair)				✓		Holmberg				✓	
Delzer				✓		Wardner				✓	
Onstad				✓		Schneider				✓	

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Section 15 senate version \$250k → \$175k

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Appropriations

Bill/Resolution No. HB 1015 as engrossed

Date: 5-31-13

Roll Call Vote #: 7

- 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) --

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

Engrossed HB 1015 was placed on the Seventh order of business on the calendar

Motion Made by: Wardner Seconded by: Holmberg

Representatives				Yes	No					Yes	No
Carlson (Chair)				✓		Holmberg				✓	
Delzer				✓		Wardner				✓	
Onstad				✓		Schneider				✓	

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

#2

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Appropriations

Bill/Resolution No. HB 1015 as engrossed

Date: 5-3-13

Roll Call Vote #: 8

- 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) --

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

Engrossed HB 1015 was placed on the Seventh order of business on the calendar

Motion Made by: Wardner Seconded by: Schneider

Representatives				Yes	No		Senators				Yes	No
Carlson (Chair)					✓		Holmberg					
Delzer					✓		Wardner				✓	
Onstad					✓		Schneider					✓

Vote Count Yes: 1 No: 4 Absent: 1

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

#3

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Appropriations

Bill/Resolution No. HB 1015 as engrossed

Date: 5-3-13

Roll Call Vote #: 9

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) --

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

Engrossed HB 1015 was placed on the Seventh order of business on the calendar

Motion Made by: Wardner Seconded by: Onstad

Representatives				Yes	No	Senators				Yes	No
Carlson (Chair)					✓	Holmberg					✓
Delzer					✓	Wardner					✓
Onstad					✓	Schneider					✓

Vote Count Yes: 0 No: 6 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

#4

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Appropriations

Bill/Resolution No. HB 1015 as engrossed

Date: 5-3-13

Roll Call Vote #: 10

- 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) --

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

Engrossed HB 1015 was placed on the Seventh order of business on the calendar

Motion Made by: Wardner Seconded by: Selzer

Representatives				Yes	No	Senators				Yes	No
Carlson (Chair)				✓		Holmberg				✓	
Delzer				✓		Wardner				✓	
Onstad				✓		Schneider				✓	

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

#5

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Appropriations

Bill/Resolution No. HB 1015 as engrossed

Date: 5-3-13

Roll Call Vote #: 11

- 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) ---

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

Engrossed HB 1015 was placed on the Seventh order of business on the calendar

Motion Made by: Senator Wardner Seconded by: Rep Onstad

Representatives				Yes	No	Senators				Yes	No
Carlson (Chair)				✓		Holmberg				✓	
Delzer					✓	Wardner				✓	
Onstad				✓		Schneider				✓	

Vote Count Yes: 5 No: 1 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Appropriations

Bill/Resolution No. HB 1015 as engrossed

Date: 5-3-13

Roll Call Vote #: 12

- 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) --

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

Engrossed HB 1015 was placed on the Seventh order of business on the calendar

Motion Made by: Sen. Wardner Seconded by: Rep. Onstad

Representatives				Yes	No		Senators			Yes	No
Carlson (Chair)				✓			Holmberg			✓	
Delzer				✓			Wardner			✓	
Onstad				✓			Schneider			✓	

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Appropriations

Bill/Resolution No. HB 1015 as engrossed

Date: 5-3-13

Roll Call Vote #: 13

- 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) --

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

Engrossed HB 1015 was placed on the Seventh order of business on the calendar

Motion Made by: Senata Holmberg Seconded by: Senata Schneider

Representatives	Yes	No		Senators	Yes	No
Carlson (Chair)	✓			Holmberg	✓	
Delzer	✓			Wardner	✓	
Onstad	✓			Schneider	✓	

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

#8

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Appropriations

Bill/Resolution No. HB 1015 as engrossed

Date: _____

Roll Call Vote #: 14

- 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) --

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

Engrossed HB 1015 was placed on the Seventh order of business on the calendar

Motion Made by: Delzer Seconded by: Holmberg

Representatives					Senators			
		Yes	No				Yes	No
Carlson (Chair)		✓			Holmberg		✓	
Delzer		✓			Wardner		✓	
Onstad		✓			Schneider		✓	

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

#9

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Appropriations

Bill/Resolution No. HB 1015 as engrossed

Date: 5-3-13

Roll Call Vote #: 15

- 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) --

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

Engrossed HB 1015 was placed on the Seventh order of business on the calendar

Motion Made by: Rep Onstad Seconded by: Sen Schneider

Representatives				Yes	No	Senators				Yes	No	
Carlson (Chair)						Holmberg						
Delzer				✓	✓	Wardner						✓
Onstad				✓		Schneider						✓

Vote Count Yes: 1 No: 5 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

H/10

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Appropriations

Bill/Resolution No. HB 1015 as engrossed

Date: 5-31-13

Roll Call Vote #: 16

- 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) --

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

Engrossed HB 1015 was placed on the Seventh order of business on the calendar

Motion Made by: Rep Onstad Seconded by: Senators Schneider

Representatives				Yes	No	Senators				Yes	No	
Carlson (Chair)					✓	Holmberg						✓
Delzer				✓	✓	Wardner						✓
Onstad				✓		Schneider					✓	

Vote Count Yes: 2 No: 4 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

#11

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Appropriations

Bill/Resolution No. HB 1015 as engrossed

Date: 5-3-13

Roll Call Vote #: 17

- 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) --

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

Engrossed HB 1015 was placed on the Seventh order of business on the calendar

Motion Made by: Sen. Schneider Seconded by: Onstad

Representatives				Yes	No	Senators				Yes	No
Carlson (Chair)					✓	Holmberg					✓
Delzer				✓	✓	Wardner				✓	✓
Onstad				✓		Schneider				✓	

Vote Count Yes: 3 No: 3 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

#17

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Appropriations

Bill/Resolution No. HB 1015 as engrossed

Date: 5-3-13

Roll Call Vote #: 18

- 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) --

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

Engrossed HB 1015 was placed on the Seventh order of business on the calendar

Motion Made by: Senator Schneider Seconded by: Rep Onstad

Representatives				Yes	No	Senators				Yes	No
Carlson (Chair)					✓	Holmberg				✓	✓
Delzer					✓	Wardner				✓	✓
Onstad				✓		Schneider				✓	

Vote Count Yes: 2 No: 4 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

#13

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Appropriations

Bill/Resolution No. HB 1015 as engrossed

Date: 5-3-13

Roll Call Vote #: 19

- 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) --

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

Engrossed HB 1015 was placed on the Seventh order of business on the calendar

Motion Made by: Sen Schneider Seconded by: Rep Onstad

Representatives				Senators			
		Yes	No			Yes	No
Carlson (Chair)			/	Holmberg			/
Delzer		/		Wardner			/
Onstad			/	Schneider			/

Vote Count Yes: 2 No: 4 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Hcl

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Appropriations

Bill/Resolution No. HB 1015 as engrossed

Date: _____

Roll Call Vote #: 20

- 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) --

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

Engrossed HB 1015 was placed on the Seventh order of business on the calendar

Motion Made by: Senator Holmberg Seconded by: Senator Wardner

Representatives				Yes	No	Senators				Yes	No
Carlson (Chair)				✓		Holmberg				✓	
Delzer				✓		Wardner				✓	
Onstad				✓		Schneider				✓	

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

#15

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Appropriations

Bill/Resolution No. HB 1015 as engrossed

Date: 5-3-13

Roll Call Vote #: 21

- 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) --

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

Engrossed HB 1015 was placed on the Seventh order of business on the calendar

Motion Made by: Wardner Seconded by: Holmberg

Representatives					Senators			
		Yes	No				Yes	No
Carlson (Chair)		✓			Holmberg		✓	
Delzer		✓			Wardner		✓	
Onstad		✓			Schneider		✓	

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

#16

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Appropriations

Bill/Resolution No. HB 1015 as engrossed

Date: 5-3-13

Roll Call Vote #: 22

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) --

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

Engrossed HB 1015 was placed on the Seventh order of business on the calendar

Motion Made by: Senata Wardner Seconded by: Holmberg

Representatives				Yes	No	Senators				Yes	No
Carlson (Chair)				✓		Holmberg				✓	
Delzer				✓		Wardner				✓	
Onstad				✓		Schneider				✓	

Vote Count Yes: 6 No: 0 Absent: _____

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

#18

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Appropriations

Bill/Resolution No. HB 1015 as engrossed

Date: 5-3-13

Roll Call Vote #: 23

- 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) --

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

Engrossed HB 1015 was placed on the Seventh order of business on the calendar

Motion Made by: Holmberg Seconded by: Wardner

Representatives				Yes	No	Senators				Yes	No
Carlson (Chair)				✓		Holmberg				✓	
Delzer				✓		Wardner				✓	
Onstad				✓		Schneider				✓	

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

19.

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Appropriations

Bill/Resolution No. HB 1015 as engrossed

Date: 5-3-2013

Roll Call Vote #: 24

- 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) --

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

Engrossed HB 1015 was placed on the Seventh order of business on the calendar

Motion Made by: Delzer Seconded by: Holmberg

Representatives					Senators			
		Yes	No				Yes	No
Carlson (Chair)		✓			Holmberg		✓	
Delzer		✓			Wardner		✓	
Onstad		✓			Schneider		✓	

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Appropriations

Bill/Resolution No. HB 1015 as engrossed

Date: 5-3-2013

Roll Call Vote #: 25

- 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) --

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

Engrossed HB 1015 was placed on the Seventh order of business on the calendar

Motion Made by: Delzer Seconded by: Holmberg

Representatives					Senators			
		Yes	No				Yes	No
Carlson (Chair)		✓			Holmberg		✓	
Delzer		✓			Wardner		✓	
Onstad		✓			Schneider		✓	

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

20

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Appropriations

Bill/Resolution No. HB 1015 as engrossed

Date: 5-3-2013

Roll Call Vote #: 26

- 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) --

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

Engrossed HB 1015 was placed on the Seventh order of business on the calendar

Motion Made by: Wardner Seconded by: Holmberg

Representatives				Yes	No		Senators				Yes	No
Carlson (Chair)				✓			Holmberg				✓	
Delzer				✓			Wardner				✓	
Onstad				✓			Schneider				✓	

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

22

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Appropriations

Bill/Resolution No. HB 1015 as engrossed

Date: 5-3-2013

Roll Call Vote #: 27

- 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) --

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

Engrossed HB 1015 was placed on the Seventh order of business on the calendar

Motion Made by: Senator Schneider Seconded by: Senator Wardner

Representatives				Senators			
		Yes	No			Yes	No
Carlson (Chair)			✓		Holmberg	✓	
Delzer			✓		Wardner	✓	
Onstad		✓			Schneider	✓	

Vote Count Yes: 4 No: 2 Absent: _____

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Employer childcare credit

23

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Appropriations

Bill/Resolution No. HB 1015 as engrossed

Date: 5-3-2013

Roll Call Vote #: 28

- 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) --

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

Engrossed HB 1015 was placed on the Seventh order of business on the calendar

Motion Made by: Schneider Seconded by: Wardner

Representatives				Yes	No	Senators				Yes	No	
Carlson (Chair)					✓	Holmberg					✓	
Delzer					✓	Wardner					✓	
Onstad				✓		Schneider					✓	

Vote Count Yes: 4 No: 2 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

of deduction/tax cut for businesses providing childcare assistance

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Appropriations

Bill/Resolution No. HB 1015 as engrossed

Date: 5-3-2013

Roll Call Vote #: 29

- 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) --

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

Engrossed HB 1015 was placed on the Seventh order of business on the calendar

Motion Made by: *Holmberg* Seconded by: *Schneider*

Representatives					Senators			
		Yes	No				Yes	No
Carlson (Chair)			/		Holmberg		/	
Delzer			/		Wardner		/	
Onstad			/		Schneider		/	

Vote Count Yes: 4 No: 2 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

social services beyond what is county or state

#25

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Appropriations

Bill/Resolution No. HB 1015 as engrossed

Date: 5-3-2013

Roll Call Vote #: 30

- 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) --

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

Engrossed HB 1015 was placed on the Seventh order of business on the calendar

Motion Made by: Onstad Seconded by: Holmberg

Representatives					Senators			
		Yes	No				Yes	No
Carlson (Chair)			✓		Holmberg		✓	
Delzer			✓		Wardner		✓	
Onstad		✓			Schneider		✓	

Vote Count Yes: 4 No: 2 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Prairie Public

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Appropriations

Bill/Resolution No. HB 1015 as engrossed

Date: 5/3/13

Roll Call Vote #: 31

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) --

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

Engrossed HB 1015 was placed on the Seventh order of business on the calendar

Motion Made by: Wardner Seconded by: Onstad

Representatives					Senators			
		Yes	No				Yes	No
Carlson (Chair)		✓			Holmberg		✓	
Delzer		✓	✓		Wardner		✓	
Onstad					Schneider			✓

Vote Count Yes: 4 No: 2 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

\$600,000 for Prairie Public Broadcasting

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Appropriations

Bill/Resolution No. HB 1015 as engrossed

Date: _____

Roll Call Vote #: 32

- 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) --

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

Engrossed HB 1015 was placed on the Seventh order of business on the calendar

Motion Made by: Delzer Seconded by: Holmberg

Representatives				Yes	No		Senators				Yes	No
Carlson (Chair)				✓			Holmberg				✓	
Delzer				✓			Wardner				✓	
Onstad				✓			Schneider				✓	

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

committee be approved; language about west parking lot and no major changes in the layout.

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Appropriations

Bill/Resolution No. HB 1015 as engrossed

Date: _____

Roll Call Vote #: 33

- 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) --

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

Engrossed HB 1015 was placed on the Seventh order of business on the calendar

Motion Made by: Holmberg Seconded by: Delzer

Representatives	Yes	No		Senators	Yes	No
Carlson (Chair)	✓			Holmberg	✓	
Delzer	✓			Wardner	✓	
Onstad	✓			Schneider	✓	

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

amendment .04058

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Appropriations

Bill/Resolution No. HB 1015 as engrossed

Date: _____

Roll Call Vote #: 34

- 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) --

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

Engrossed HB 1015 was placed on the Seventh order of business on the calendar

Motion Made by: Wardner Seconded by: Holmberg

Representatives	Yes	No		Senators	Yes	No
Carlson (Chair)	✓			Holmberg	✓	
Delzer	✓			Wardner	✓	
Onstad	✓			Schneider	✓	

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

amendment .04060

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Appropriations

Bill/Resolution No. HB 1015 as engrossed

Date: _____

Roll Call Vote #: 35

- 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) --

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

Engrossed HB 1015 was placed on the Seventh order of business on the calendar

Motion Made by: Holmberg Seconded by: Wardner

Representatives				Yes	No		Senators				Yes	No
Carlson (Chair)				✓			Holmberg				✓	
Delzer				✓			Wardner				✓	
Onstad				✓			Schneider				✓	

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

amendment .04059

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Appropriations

Bill/Resolution No. HB 1015 as engrossed

Date: _____

Roll Call Vote #: 36

- 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) ---

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

Engrossed HB 1015 was placed on the Seventh order of business on the calendar

Motion Made by: Holmberg Seconded by: Schneider

Representatives				Senators			
		Yes	No			Yes	No
Carlson (Chair)		✓		Holmberg		✓	
Delzer		✓		Wardner		✓	
Onstad		✓		Schneider		✓	

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

amendment .04061

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Appropriations

Bill/Resolution No. HB 1015 as engrossed

Date: _____

Roll Call Vote #: 37

- 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) --

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

Engrossed HB 1015 was placed on the Seventh order of business on the calendar

Motion Made by: Delzer Seconded by: Wardner

Representatives	Yes	No		Senators	Yes	No
Carlson (Chair)	✓			Holmberg	✓	
Delzer	✓			Wardner	✓	
Onstad	✓			Schneider	✓	

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

amendment . 04062

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Appropriations

Bill/Resolution No. HB 1015 as engrossed

Date: _____

Roll Call Vote #: 38

- 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) --

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

Engrossed HB 1015 was placed on the Seventh order of business on the calendar

Motion Made by: Wardner Seconded by: Holmberg

Representatives	Yes	No		Senators	Yes	No
Carlson (Chair)	✓			Holmberg	✓	
Delzer	✓			Wardner	✓	
Onstad	✓			Schneider	✓	

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

transfer \$520M from SIF to the general fund

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Appropriations

Bill/Resolution No. HB 1015 as engrossed

Date: 5-3-13

Roll Call Vote #: 39

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) --

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

Engrossed HB 1015 was placed on the Seventh order of business on the calendar

Motion Made by: Senator Holmberg Seconded by: Senator Wardner

Representatives				Yes	No	Senators				Yes	No
Carlson (Chair)				✓		Holmberg				✓	
Delzer				✓		Wardner				✓	
Onstad				✓		Schneider				✓	

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier Representative Carlson Senate Carrier Senator Holmberg

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

amend per conference committee discussion

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Appropriations

Bill/Resolution No. HB 1015 as engrossed

Date: _____

Roll Call Vote #: 41

- 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) --

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

Engrossed HB 1015 was placed on the Seventh order of business on the calendar

Motion Made by: Wardner Seconded by: Holmberg

Representatives	Yes	No		Senators	Yes	No
Carlson (Chair)	✓			Holmberg	✓	
Delzer	✓			Wardner	✓	
Onstad	✓			Schneider	✓	

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier _____ Senate Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

amendment .04063

2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Appropriations

Bill/Resolution No. HB 1015 as engrossed

Date: _____

Roll Call Vote #: 4/2

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 ~~(H)~~/S/J page(s) 1760 - 1766

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

Engrossed HB 1015 was placed on the Seventh order of business on the calendar

Motion Made by: Holmberg Seconded by: Wardner

Representatives				Yes	No		Senators				Yes	No
Carlson (Chair)				✓			Holmberg				✓	
Delzer				✓			Wardner				✓	
Onstad				✓			Schneider				✓	

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier Rep. Carlson Senate Carrier Sen. Holmberg

LC Number _____ . 04048 of amendment

LC Number _____ . _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

REPORT OF CONFERENCE COMMITTEE

HB 1015, as engrossed: Your conference committee (Sens. Holmberg, Wardner, Schneider and Reps. Carlson, Delzer, Onstad) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1760-1766, adopt amendments as follows, and place HB 1015 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1760-1766 of the House Journal and pages 1659-1666 of the Senate Journal and that Engrossed House Bill No. 1015 be amended as follows:

Page 1, line 5, after "section" insert "14-03.2-05 as created by section 1 of House Bill No. 1128, as approved by the sixty-third legislative assembly, section"

Page 1, line 5, after "15.1-27-25" insert ", subsection 1 of section 23-35-07, subsection 4 of section 23-35-08, subsection 2 of section 41-09-87, sections 48-10-02 and 54-44.1-04, and subsection 1 of section 57-02-08.1 as amended by Senate Bill No. 2171, and subdivision e of subsection 1 of section 62.1-04-03 as amended by House Bill No. 1327, as approved by the sixty-third legislative assembly,"

Page 1, line 5, after "Code" insert "and section 12 of House Bill No. 1012, section 1 of House Bill No. 1019, section 5 of House Bill No. 1020, sections 5, 6, and 7 of House Bill No. 1358, and section 15 of Senate Bill No. 2018, as approved by the sixty-third legislative assembly"

Page 1, line 5, after "to" insert "marital agreement requirements,"

Page 1, line 6, after "royalties" insert ", health district budgets, the capitol building fund, Uniform Commercial Code filings, agency budget requests, homestead tax credit, concealed weapons permits, grants to a jurisdiction adjacent to an Indian reservation, appropriations for defraying the expenses of the parks and recreation department, loans to the western area water supply authority, transportation funding distributions, and research North Dakota grants"

Page 1, line 6, replace "an exemption" with "exemptions; to provide an exception to general fund transfers to the budget stabilization fund; to provide for the use of funds by the department of human services"

Page 1, line 7, after the first semicolon insert "to provide for a budget section report;"

Page 1, line 7, remove "and"

Page 1, line 8, after "date" insert "; to provide a contingent effective date; and to declare an emergency"

Page 1, remove lines 18 through 24

Page 2, replace line 1 through 5 with:

Salaries and wages	\$18,477,763	\$1,475,552	\$19,953,315
Operating expenses	13,755,254	641,534	14,396,788
Emergency commission contingency fund	700,000	0	700,000
Capital assets	5,190,143	4,760,922	9,951,065
Grants	430,000	0	430,000
Prairie public broadcasting	1,000,000	937,138	1,937,138
State student internship program	200,000	0	200,000
Health insurance pool - temporary employees	0	2,000,000	2,000,000
Accrued leave payments	0	570,412	570,412
Total all funds	\$39,753,160	\$10,385,558	\$50,138,718

Less estimated income	<u>10,514,461</u>	<u>(783,831)</u>	<u>9,730,630</u>
Total general fund	\$29,238,699	\$11,169,389	\$40,408,088

Page 2, replace line 13 with:

"Capitol complex parking lot repairs	800,000	4,000,000"
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Page 2, replace lines 19 through 21 with:

"Prairie public broadcasting	0	600,000
Health insurance pool	0	2,000,000
Repair and cleaning capitol and j-wing	<u>0</u>	<u>1,200,000</u>
Total all funds	\$478,354,000	\$10,490,000
Less estimated income	<u>0</u>	<u>1,000,000</u>
Total general fund	\$478,354,000	\$9,490,000"

Page 2, line 28, replace "\$373,210,000" with "\$315,210,000"

Page 2, after line 31, insert:

"SECTION 4. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - GENERAL FUND. During the biennium beginning July 1, 2013, and ending June 30, 2015, the director of the office of management and budget shall transfer the sum of \$520,000,000 from the strategic investment and improvements fund to the general fund.

SECTION 5. GENERAL FUND TRANSFERS TO BUDGET STABILIZATION FUND - EXCEPTION. Notwithstanding section 54-27.2-02, the state treasurer and the office of management and budget may not include any general fund appropriations provided in Senate Bill No. 2176, as approved by the sixty-third legislative assembly, in the amount used to determine general fund transfers to the budget stabilization fund at the end of the 2011-13 biennium under chapter 54-27.2.

SECTION 6. APPROPRIATION - OFFICE OF MANAGEMENT AND BUDGET - STATE AGENCY ENERGY DEVELOPMENT IMPACT FUNDING POOL - TRANSFER AUTHORITY - EMERGENCY COMMISSION APPROVAL. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$4,000,000, or so much of the sum as may be necessary, and from special funds derived from federal funds and other income, the sum of \$4,500,000, or so much of the sum as may be necessary, to the office of management and budget for a state agency energy development impact funding pool, for the biennium beginning July 1, 2013, and ending June 30, 2015. The funds provided under this section are considered a one-time funding item.

A state agency may submit an application to the office of management and budget for a transfer of appropriation authority from the state agency energy development impact funding pool for employee housing rental assistance and temporary salary increases for employees affected by energy development. The office of management and budget, subject to emergency commission approval, shall transfer appropriation authority from the state agency energy development impact funding pool to eligible agencies for approved applications.

1. A state agency may submit an application to the office of management and budget to address rental assistance needs for employees in affected areas of the state. Spending authority is limited to six months or until the need for the assistance has ended, whichever occurs first. An agency may submit a renewal application for continued spending authority to address any continued need to provide assistance.
 - a. As part of the application for rental assistance, the agency must identify each position within the agency that requires rental

assistance. The agency shall provide a housing survey conducted by the agency or an approved statewide housing survey for the immediate geographical location appropriate to each position for which approval is being requested. The survey must include an identified difference between the state rental rate average and the rental rates for housing in the location where the employee will reside. The survey must describe the methodology used in determining rental differential for that immediate geographical location. For an existing employee or applicant already with housing, the agency must attach the employee's rental agreement from the rental property company. For a newly hired employee, the agency shall forward a copy of the rental agreement after the applicant has been hired and secured housing. The rental agreement must include the following information:

- (1) Rental company name.
 - (2) Rental company address.
 - (3) Amount of rent.
 - (4) Effective date of lease.
- b. The office of management and budget shall review the application for rental assistance and make a recommendation to the emergency commission to approve or reject the request. The emergency commission shall make the final determination on the application. The applications must be reviewed on an individual position or positions basis based on documented need and affordability.
 - c. Rental assistance payments must be based on a housing survey conducted by the agency or a statewide survey subject to review and recommendation by the office of management and budget and approval by the emergency commission. Employees eligible to receive rental assistance include employees currently renting in designated areas of the state and new employees or existing employees transferring into affected areas of the state. The rental assistance payment must be a flat dollar amount based on the difference between the state rental rate average and the rental rates for housing in the location where the employee resides.
 - d. A state agency that has an employee receiving rental assistance must submit documentation to the office of management and budget upon request that verifies the employee's proof of payment.
 - e. A state agency must report any changes to the office of management and budget of the housing status of employees relating to a position that has been approved.
2. A state agency may submit an application for up to six months of salary differential payments for employees living in assigned or in temporarily assigned areas of the state affected by energy development. The application must document the salary level of each affected employee or position compared to statewide and local averages for similar types of employee positions. The office of management and budget shall review the application for salary differential payments and make a recommendation to the emergency commission to approve or reject the request. The emergency commission shall make the final determination on the application. Any salary differential payment provided to an employee does not become part of the employee's permanent base salary.

SECTION 7. COMMUNITY SERVICE SUPERVISION GRANTS - FUNDING ALLOCATIONS - ADDITIONAL INCOME APPROPRIATION. The grants line item in section 1 of this Act includes the sum of \$375,000 from the general fund for the purpose of providing community service supervision grants. The office of management and budget shall distribute the grant funds on or before August first during each year of the biennium beginning July 1, 2013, and ending June 30, 2015, to North Dakota community corrections association regions as follows:

Barnes County	\$9,091
Bismarck (urban)	20,293
Bismarck (rural)	10,667
Devils Lake	10,747
Dickinson	12,683
Fargo	24,127
Grand Forks	19,803
Jamestown	13,883
Minot	16,194
Richland County	9,931
Rugby	11,657
Sargent County	8,086
Wells County	8,189
Williston	<u>12,149</u>
Total	\$187,500

Any moneys in the community service supervision fund are appropriated to the office of management and budget for distribution to community corrections association regions on or before August first of each year during the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 8. OFFICE OF MANAGEMENT AND BUDGET - TEMPORARY EMPLOYEE HEALTH INSURANCE POOL - TRANSFER AUTHORITY. The office of management and budget may transfer to each eligible agency appropriation authority from the health insurance pool - temporary employees line item contained in section 1 of this Act. Transfers may be made for the purpose of providing temporary employee health insurance adjustments for state employees, including institutions of higher education, determined to be full time based on guidelines developed by the office of management and budget in accordance with the shared responsibility provisions of the Affordable Care Act for the biennium beginning July 1, 2013, and ending June 30, 2015."

Page 3, line 18, replace "8" with "13"

Page 3, line 22, remove "- LEGISLATIVE"

Page 3, line 23, remove "INTENT"

Page 3, line 23, after "GUIDELINES" insert "- BUDGET SECTION APPROVAL"

Page 3, line 24, after "of" insert "3 to 5 percent for the first year of the biennium and in a range of"

Page 3, line 25, replace "each" with "the second"

Page 3, line 27, after "increases" insert "for the first year of the biennium"

Page 3, line 28, after "and" insert "for the second year of the biennium are to be given"

Page 3, line 29, after "adjustment" insert "for each year of the biennium"

Page 3, line 29, remove "for the first year of the biennium may be"

Page 3, line 30, remove "provided"

Page 4, line 1, after "range" insert "and up to 1 percent for a classified state employee whose salary is in the second quartile of the employee's assigned salary range may be provided"

Page 4, line 1, remove "The market equity increases are to be given"

Page 4, remove line 2

Page 4, line 6, after "budget" insert ", subject to budget section approval,"

Page 4, line 6, remove "not"

Page 4, line 11, after "of" insert "3 to 5 percent for the first year of the biennium and in a range of"

Page 4, line 12, replace "each" with "the second"

Page 4, line 14, after "2013" insert "for the first year of the biennium"

Page 4, line 15, after the first "2014" insert "for the second year of the biennium"

Page 4, remove lines 16 through 18

Page 4, after line 22, insert:

"Each agency appropriation is increased to provide additional funding of \$95 per month for each eligible employee to maintain existing health insurance benefits. As a percentage of the average state employee monthly salary, this amount represents a 2.35 percent increase."

Page 4, line 23, after the first "ITEM" insert "- PILOT PROJECT"

Page 4, line 26, after the first "for" insert "a pilot project for the biennium beginning July 1, 2013, and ending June 30, 2015, for"

Page 4, line 31, after the period insert "For the purpose of determining salaries and wages amounts under section 54-27-10, the office of management and budget shall consider the amounts included in the accrued leave payments line item as part of the appropriation for salaries and wages."

SECTION 15. TRANSFERS - RACING COMMISSION FUNDS. Upon the request of the North Dakota racing commission, the office of management and budget shall transfer up to \$50,000 from the breeders' fund to the purse fund and up to \$50,000 from the breeders' fund to the racing promotion fund during the biennium beginning July 1, 2013, and ending June 30, 2015. Any funds transferred under this section must be used to promote additional horse races in the state during the biennium beginning July 1, 2013, and ending June 30, 2015. Notwithstanding any other provision of law, the office of management and budget shall deposit any funds designated for the purse fund and racing promotion fund under section 53-06.2-11 in the breeders' fund until the deposits equal the transfers made to the purse fund and racing promotion fund as provided under this section.

SECTION 16. PROCUREMENT REQUIREMENTS - DEPARTMENT OF TRANSPORTATION AIRPLANE REPLACEMENT. The purchase of airplanes by the department of transportation under the authorization granted in section 5 of House Bill No. 1033, as approved by the sixty-third legislative assembly, is exempt from the procurement provisions of chapter 54-44.4 and any rules or policies adopted pursuant to that chapter.

SECTION 17. USE OF FUNDS - DEPARTMENT OF HUMAN SERVICES.

The department of human services may use a portion of the funds appropriated for grants to critical access hospitals in section 10 of House Bill No. 1358, as approved by the sixty-third legislative assembly, for the purpose of providing a grant to an organization to assist hospitals in developing a system to verify patient personal and health insurance information. The requirements of chapter 54-44.4 do not apply to the selection of a grantee, the grant award, or payments made under this section. The organization that receives the grant shall provide reports on the development and impact of the system to the department of human services in December and June of each year of the biennium.

SECTION 18. DEPARTMENT OF HUMAN SERVICES - BUDGET SAVINGS

- CONTINGENT GRANT. If the department of human services has not projected a 2013-15 biennium appropriation deficiency on or after July 1, 2014, the department of human services may award a grant from its general fund appropriation to an entity eligible under subsection 2 of section 50-01.2-03.2 as defined in section 12 of House Bill No. 1012, as approved by the sixty-third legislative assembly, for the period beginning July 1, 2014, and ending June 30, 2015. The amount provided under this section is in addition to, and may not exceed, the total amount provided under section 12 of House Bill No. 1012, as approved by the sixty-third legislative assembly.

SECTION 19. AMENDMENT. Section 14-03.2-05 of the North Dakota Century Code as created by section 1 of House Bill No. 1128, as approved by the sixty-third legislative assembly, is amended and reenacted as follows:

14-04.3-05. Formation requirements.

A premarital agreement or marital agreement must be in a record and signed by both parties. The agreement is enforceable without consideration. ~~A marital agreement created pursuant to this chapter must be signed within the first one hundred twenty days of the marriage.~~

Page 6, after line 8, insert:

"SECTION 21. AMENDMENT. Subsection 1 of section 23-35-07 of the North Dakota Century Code is amended and reenacted as follows:

1. A district board of health shall prepare a budget for the next fiscal year at the time at which and in the manner in which a county budget is adopted and shall submit this budget to the joint board of county commissioners for approval. The amount budgeted and approved must be prorated in health districts composed of more than one county among the various counties in the health district according to the taxable valuation of the respective counties in the health district. For the purpose of this section, "prorated" means that each member county's contribution must be based on an equalized mill levy throughout the district, except as otherwise permitted under subsection 3 of section 23-35-05. Within ten days after approval by the joint board of county commissioners, the district board of health shall certify the budget to the respective county auditors and the budget must be included in the levies of the counties. The budget, not including gifts, grants, donations, and contributions, may not exceed the amount that can be raised by a levy of five mills on the taxable valuation, subject to public hearing in each county in the health district at least fifteen days before an action taken by the joint board of county commissioners. Action taken by the joint board of county commissioners must be based on the record, including comments received at the public hearing. A levy under this section is not subject to the limitation on the county tax levy for general and special county purposes. The amount derived by a levy under this section must be placed in the health district fund. The health district fund must be deposited with and disbursed by

the treasurer of the district board of health. Each county in a health district quarterly shall remit and make settlements with the treasurer. Any funds remaining in the fund at the end of any fiscal year may be carried over to the next fiscal year.

SECTION 22. AMENDMENT. Subsection 4 of section 23-35-08 of the North Dakota Century Code is amended and reenacted as follows:

4. May accept and ~~receive~~expend any gift, grant, donation, or other contribution offered to aid in the work of the board of health or public health unit.

SECTION 23. AMENDMENT. Subsection 2 of section 41-09-87 of the North Dakota Century Code, as effective after June 30, 2013, is amended and reenacted as follows:

2. Filing does not occur with respect to a record that a filing office refuses to accept because:
 - a. The record is not communicated by a method or medium of communication authorized by the filing office;
 - b. An amount equal to or greater than the applicable filing fee is not tendered;
 - c. The filing office is unable to index the record because:
 - (1) In the case of an initial financing statement, the record does not provide a name for the debtor;
 - (2) In the case of an amendment or information statement, the record:
 - (a) Does not identify the initial financing statement as required by section 41-09-83 or 41-09-89, as applicable; or
 - (b) Identifies an initial financing statement whose effectiveness has lapsed under section 41-09-86;
 - (3) In the case of an initial financing statement that provides the name of a debtor identified as an individual or an amendment that provides a name of a debtor identified as an individual which was not previously provided in the financing statement to which the record relates, the record does not identify the debtor's surname; or
 - (4) In the case of a record filed or recorded in the filing office described in subdivision a of subsection 1 of section 41-09-72, the record does not provide a sufficient description of the real property to which it relates;
 - d. In the case of an initial financing statement or an amendment that adds a secured party of record, the record does not provide a name and mailing address for the secured party of record;
 - e. In the case of an initial financing statement or an amendment that provides a name of a debtor which was not previously provided in the financing statement to which the amendment relates, the record does not:

- (1) Provide a mailing address for the debtor; or
 - (2) Indicate whether the name provided as the name of the debtor is the name of an individual or an organization;
- f. In the case of an assignment reflected in an initial financing statement under subsection 1 of section 41-09-85 or an amendment filed under subsection 2 of section 41-09-85, the record does not provide a name and mailing address for the assignee; or
 - g. In the case of a continuation statement, the record is not filed within the six-month period prescribed by subsection 4 of section 41-09-86; or
 - h. The record does not contain the social security number or the internal revenue service taxpayer identification number of the debtor.

SECTION 24. AMENDMENT. Section 48-10-02 of the North Dakota Century Code is amended and reenacted as follows:

48-10-02. Capitol building fund to be administered by the capitol grounds planning commission - Continuing appropriation - Procedure for expenditure of certain funds.

The capitol grounds planning commission shall have general powers to superintend the administration of the capitol building fund, its interest and income fund, and its investments and properties. It may cause any lands now held in such funds to be sold at market value, direct the conversion of any securities now held by such funds to cash, approve expenditures from such funds subject to law and legislative appropriations, and to do all other things necessary to carry out the intent and purposes of this section. The board of university and school lands or its designee, on the commission's behalf, shall see to the investment and management of the capitol building fund and its interest and income fund and shall account to the commission concerning these funds at the commission's request.

Provided further, all moneys and other property in the capitol building fund, except as otherwise appropriated, are hereby dedicated and reserved to the exclusive purpose of the construction of an addition to the legislative wing of the state capitol building, and the capitol grounds planning commission shall take necessary steps to accumulate and conserve the money and property in the capitol building fund for such purpose.

The commission may, during any biennium, expend from the interest and income fund of the capitol building fund a sum not to exceed fifty percent of the unencumbered balance on the first day of any biennium, and such amount is hereby appropriated to the capitol grounds planning commission. The expenditure may be made, after consideration of the capitol grounds master plan, for projects or planning but ~~shall may~~ not exceed one hundred ~~seventy-five~~ thousand dollars per biennium. The expenditure may only be made upon approval by two-thirds of the total membership of the commission. The expenditure must be made upon a voucher, or vouchers, prepared by the office of management and budget at the direction of the commission.

SECTION 25. AMENDMENT. Section 54-44.1-04 of the North Dakota Century Code is amended and reenacted as follows:

54-44.1-04. (Effective through July 31, 2013) Budget estimates of budget units filed with the office of the budget - Deadline.

The head of each budget unit, not later than July fifteenth of each year next preceding the session of the legislative assembly, shall submit to the office of the

budget, estimates of financial requirements of the person's budget unit for the next two fiscal years, on the forms and in the manner prescribed by the office of the budget, with such explanatory data as is required by the office of the budget and such additional data as the head of the budget unit wishes to submit. The budget estimates for the North Dakota university system must include block grants for the university system for a base funding component and for an initiative funding component for specific strategies or initiatives and a budget estimate for an asset funding component for renewal and replacement of physical plant assets at the institutions of higher education. The estimates so submitted must bear the approval of the board or commission of each budget unit for which a board or commission is constituted. The director of the budget in the director's discretion may extend the filing date for any budget unit if the director finds there is some circumstance that makes it advantageous to authorize the extension. If a budget unit has not submitted its estimate of financial requirements by the required date or within a period of extension set by the director of the budget, the director of the budget shall prepare the budget unit's estimate of financial requirements except the estimate may not exceed ninety percent of the budget unit's previous biennial appropriation. The director of the budget or a subordinate officer as the director designates shall examine the estimates and shall afford to the heads of budget units reasonable opportunity for explanation in regard thereto and, when requested, shall grant to the heads of budget units a hearing thereon which must be open to the public.

(Effective after July 31, 2013) Budget estimates of budget units filed with the office of the budget - Deadline.

The head of each budget unit, not later than July fifteenth of each year next preceding the session of the legislative assembly, shall submit to the office of the budget, estimates of financial requirements of the person's budget unit for the next two fiscal years, on the forms and in the manner prescribed by the office of the budget, with such explanatory data as is required by the office of the budget and such additional data as the head of the budget unit wishes to submit. The estimates so submitted must bear the approval of the board or commission of each budget unit for which a board or commission is constituted. The director of the budget may extend the filing date by up to sixty days for any budget unit if the director finds there is some circumstance that makes it advantageous to authorize the extension. If a budget unit has not submitted its estimate of financial requirements by the required date or within a period of extension of up to sixty days set by the director of the budget, the director of the budget shall prepare the budget unit's estimate of financial requirements except the estimate may not exceed ninety percent of the budget unit's previous biennial appropriation. The director of the budget or a subordinate officer as the director shall designate shall examine the estimates and shall afford to the heads of budget units reasonable opportunity for explanation in regard thereto and, when requested, shall grant to the heads of budget units a hearing thereon which must be open to the public."

Page 6, line 12, remove "for inclusion in the state"

Page 6, line 13, remove "budget database website"

Page 6, line 13, replace "in" with "on"

Page 6, line 13, remove "budget"

Page 6, line 14, replace "database" with "office of management and budget"

Page 6, line 14, replace the second "any" with "a"

Page 6, after line 20, insert:

"SECTION 27. AMENDMENT. Subsection 1 of section 57-02-08.1 of the North Dakota Century Code as amended by Senate Bill No. 2171, as approved by the sixty-third legislative assembly, is amended and reenacted as follows:

1. a. Any person sixty-five years of age or older or permanently and totally disabled, in the year in which the tax was levied, with an income that does not exceed the limitations of subdivision c is entitled to receive a reduction in the assessment on the taxable valuation on the person's homestead. An exemption under this subsection applies regardless of whether the person is the head of a family.
- b. The exemption under this subsection continues to apply if the person does not reside in the homestead and the person's absence is due to confinement in a nursing home, hospital, or other care facility, for as long as the portion of the homestead previously occupied by the person is not rented to another person.
- c. The exemption must be determined according to the following schedule:
 - (1) If the person's income is not in excess of twenty-two thousand dollars, a reduction of one hundred percent of the taxable valuation of the person's homestead up to a maximum reduction of four thousand five hundred dollars of taxable valuation.
 - (2) If the person's income is in excess of twenty-two thousand dollars and not in excess of twenty-six thousand dollars, a reduction of eighty percent of the taxable valuation of the person's homestead up to a maximum reduction of three thousand six hundred dollars of taxable valuation.
 - (3) If the person's income is in excess of twenty-six thousand dollars and not in excess of thirty thousand dollars, a reduction of sixty percent of the taxable valuation of the person's homestead up to a maximum reduction of two thousand seven hundred dollars of taxable valuation.
 - (4) If the person's income is in excess of thirty thousand dollars and not in excess of thirty-four thousand dollars, a reduction of forty percent of the taxable valuation of the person's homestead up to a maximum reduction of one thousand eight hundred dollars of taxable valuation.
 - (5) If the person's income is in excess of thirty-four thousand dollars and not in excess of thirty-eight thousand dollars, a reduction of twenty percent of the taxable valuation of the person's homestead up to a maximum reduction of nine hundred dollars of taxable valuation.
 - (6) If the person's income is in excess of thirty-eight thousand dollars and not in excess of forty-two thousand dollars, a reduction of ten percent of the taxable valuation of the person's homestead up to a maximum reduction of four hundred fifty dollars of taxable valuation.
- d. Persons residing together, as spouses or when one or more is a dependent of another, are entitled to only one exemption between or among them under this subsection. Persons residing together, who are not spouses or dependents, who are coowners of the property

are each entitled to a percentage of a full exemption under this subsection equal to their ownership interests in the property.

- e. This subsection does not reduce the liability of any person for special assessments levied upon any property.
- f. Any person claiming the exemption under this subsection shall sign a verified statement of facts establishing the person's eligibility.
- g. A person is ineligible for the exemption under this subsection if the value of the assets of the person and any dependent residing with the person exceeds five hundred thousand dollars, including the value of any assets divested within the last three years.
- h. The assessor shall attach the statement filed under subdivision f to the assessment sheet and shall show the reduction on the assessment sheet.
- i. An exemption under this subsection terminates at the end of the taxable year of the death of the applicant.

SECTION 28. AMENDMENT. Subdivision e of subsection 1 of section 62.1-04-03 of the North Dakota Century Code as amended by House Bill No. 1327, as approved by the sixty-third legislative assembly, is amended and reenacted as follows:

- e. The applicant satisfactorily completes the bureau of criminal investigation application form and has successfully passed the criminal history records check conducted by the bureau of criminal investigation and the federal bureau of investigation. The applicant shall provide all documentation relating to any court-ordered treatment or commitment for mental health or alcohol or substance abuse. The applicant shall provide the director of the bureau of criminal investigation written authorizations for disclosure of the applicant's mental health and alcohol or substance abuse evaluation and treatment records. The bureau may deny approval for a ~~class 4 firearm~~ license if the bureau has reasonable cause to believe that the applicant or licenseholder has been or is a danger to self or others as demonstrated by evidence, including past pattern of behavior involving unlawful violence or threats of unlawful violence; past participation in incidents involving unlawful violence or threats of unlawful violence; or conviction of a weapons offense. In determining whether the applicant or licenseholder has been or is a danger to self or others, the bureau may inspect expunged records of arrests and convictions of adults and juvenile court records; and

SECTION 29. AMENDMENT. Section 12 of House Bill No. 1012, as approved by the sixty-third legislative assembly, is amended and reenacted as follows:

SECTION 12. GRANTS. The grants line item in subdivision 2 of section 1 of this Act includes \$300,000, or so much of the sum as may be necessary, from the general fund for grants to a jurisdiction that is adjacent to an Indian reservation but does not receive reimbursement payments under section 50-01.2-03.2 and is determined by the department of human services to be the most significantly impacted based on calendar year 2012 data for the first year of the biennium and calendar year 2013 data for the second year of the biennium considering the provisions of subsection 2 of section 50-01.2-03.2, for the biennium beginning July 1, 2013, and ending June 30, 2015. ~~No more than fifty~~

~~percent of this appropriation may be distributed in each fiscal year of the biennium.~~

SECTION 30. AMENDMENT. Section 1 of House Bill No. 1019, as approved by the sixty-third legislative assembly, is amended and reenacted as follows:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the parks and recreation department for the purpose of defraying the expenses of the parks and recreation department and for providing a grant to the International Peace Garden, for the biennium beginning July 1, 2013, and ending June 30, 2015, as follows:

Subdivision 1.

PARKS AND RECREATION DEPARTMENT

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Administration	\$2,484,885	\$188,708	\$2,673,593
Accrued leave payments	0	181,577	181,577
Natural resources	12,768,203	8,325,122	21,093,325
Recreation	7,489,091	(1,403,216)	6,085,875
Total all funds	\$22,742,179	\$7,292,191	\$30,034,370
Less estimated income	11,641,632	359,199	12,000,731
Total general fund	\$11,100,647	\$6,932,992	\$18,033,639
Full-time equivalent positions	54.00	1.00	66.00
Administration	\$2,484,885	\$188,708	\$2,673,593
Accrued leave payments	0	181,577	181,577
Natural resources	12,768,203	7,875,122	20,643,325
Recreation	7,489,091	(1,403,216)	6,085,875
Total all funds	\$22,742,179	\$6,842,191	\$29,584,370
Less estimated income	11,641,532	134,199	11,775,731
Total general fund	\$11,100,647	\$6,707,992	\$17,808,639
Full-time equivalent positions	54.00	1.00	55.00

Subdivision 2.

INTERNATIONAL PEACE GARDEN

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
International Peace Garden	\$773,699	\$1,450,000	\$2,223,699
Total general fund	\$773,699	\$1,450,000	\$2,223,699

Subdivision 3.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$11,874,346	\$8,382,992	\$20,257,338
Grand total special funds	11,641,632	359,199	12,000,731
Grand total all funds	\$23,515,878	\$8,742,191	\$32,258,069
Grand total general fund	\$11,874,346	\$8,157,992	\$20,032,338
Grand total special funds	11,641,532	134,199	11,775,731
Grand total all funds	\$23,515,878	\$8,292,191	\$31,808,069

SECTION 31. AMENDMENT. Section 5 of House Bill No. 1020, as approved by the sixty-third legislative assembly, is amended and reenacted as follows:

SECTION 5. BANK OF NORTH DAKOTA LOAN - WESTERN AREA WATER SUPPLY AUTHORITY. The Bank of North Dakota shall provide a loan of \$40,000,000 to the western area water supply authority for construction of the project. ~~The terms and conditions of the loan must be negotiated by the western area water supply authority and the Bank of North Dakota and any previous loans may be added to and merged into this loan.~~ previous loans as agreed by the authority industrial commission and the Bank of North Dakota. ~~The authority may repay the loan from income from specific project features. If the authority is in default in the payment of the principal of or interest on the obligation to the Bank of North Dakota for the loan, the authority is subject to the default provisions under section 61-40-09.~~

SECTION 32. AMENDMENT. Section 5 of House Bill No. 1358, as approved by the sixty-third legislative assembly, is amended and enacted as follows:

SECTION 5. APPROPRIATION - DEPARTMENT OF TRANSPORTATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$160,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of allocation as provided in this section among oil-producing counties that received \$5,000,000 or more of allocations under subsection 2 of section 57-51-15 in the state fiscal year ending June 30, ~~2012~~2013, for the biennium beginning July 1, 2013, and ending June 30, 2015.

1. The sum appropriated in this section must be used to rehabilitate or reconstruct county paved and unpaved roads and bridges needed to support oil and gas production and distribution in North Dakota.
 - a. Funding allocations to counties are to be made by the department of transportation based on data supplied by the upper great plains transportation institute.
 - b. Counties identified in the data supplied by the upper great plains transportation institute which received \$5,000,000 or more of allocations under subsection 2 of section 57-51-15 for the state fiscal year ending June 30, ~~2012~~2013, are eligible for this funding.
2. Each county requesting funding under this section for county road and bridge projects shall submit the request in accordance with criteria developed by the department of transportation.
 - a. The request must include a proposed plan for funding projects that rehabilitate or reconstruct paved and unpaved roads and bridges within the county.
 - b. The plan must be based on data supplied by the upper great plains transportation institute, actual road and bridge conditions, and integration with state highway and other county projects.
 - c. Projects funded under this section must comply with the American association of state highway transportation officials (AASHTO) pavement design procedures and the department of transportation local government requirements. Upon completion of major reconstruction projects, the roadway segment must be posted at a legal load limit of 105,500 pounds [47853.993 kilograms].

- d. Funds may not be used for routine maintenance.
3. The department of transportation, in consultation with the county, may approve the plan or approve the plan with amendments.
4. The funding appropriated in this section may be used for:
 - a. Ninety percent of the cost of the approved projects not to exceed the funding available for that county.
 - b. Funding may be used for construction, engineering, and plan development costs.
5. Upon approval of the plan, the department of transportation shall transfer to the county the approved funding for engineering and plan development costs.
6. Upon execution of a construction contract by the county, the department of transportation shall transfer to the county the approved funding to be distributed for county and township rehabilitation and reconstruction projects.
7. The recipient counties shall report to the department of transportation upon awarding of each contract and upon completion of each project in a manner prescribed by the department.
8. The funding under this section may be applied to engineering, design, and construction costs incurred on related projects as of January 1, 2013.
9. For purposes of this section, a "bridge" is a structure that has an opening of more than 20 feet [6.096 meters] as measured along the centerline of the roadway. It may also be the clear openings of more than 20 feet [6.096 meters] of a group of pipes as long as the pipes are spaced less than half the distance apart of the smallest diameter pipe.
10. Section 54-44.1-11 does not apply to funding under this section. Any funds not spent by June 30, 2015, must be continued into the biennium beginning July 1, 2015, and ending June 30, 2017, and may be expended only for purposes authorized by this section.

SECTION 33. AMENDMENT. Section 6 of House Bill No. 1358, as approved by the sixty-third legislative assembly, is amended and enacted as follows:

SECTION 6. APPROPRIATION - DEPARTMENT OF TRANSPORTATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$120,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of allocation among counties that did not receive \$5,000,000 or more of allocations under subsection 2 of section 57-51-15 in the state fiscal year ending June 30, ~~2012~~2013, for the biennium beginning July 1, 2013, and ending June 30, 2015. The amounts available for allocation under this section must be distributed on or after February 1, 2014.

1. The sum appropriated in this section must be used to rehabilitate or reconstruct county paved and unpaved roads and bridges needed to support economic activity in North Dakota.
 - a. To be eligible to receive an allocation under this section, a county may not have received \$5,000,000 or more of allocations under

subsection 2 of section 57-51-15 during the state fiscal year ending June 30, ~~2012~~2013.

- b. Allocations among eligible counties under this section must be based on the miles of roads defined by the department of transportation as county major collector roadways in each county.
 - c. The department of transportation may use data supplied by the upper great plains transportation institute in determining the projects to receive funding under this section.
2. Each county requesting funding under this section shall submit the request in accordance with criteria developed by the department of transportation.
 - a. The request must include a proposed plan for funding projects that rehabilitate or reconstruct paved and unpaved roads and bridges within the county.
 - b. The plan must be based on actual road and bridge conditions and the integration of projects with state highway and other county projects.
 - c. Projects funded under this section must comply with the American association of state highway transportation officials (AASHTO) pavement design procedures and the department of transportation local government requirements. Upon completion of major reconstruction projects, the roadway segment must be posted at a legal load limit of 105,500 pounds [47853.993 kilograms].
 - d. Funds may not be used for routine maintenance.
 3. The department of transportation, in consultation with the county, may approve the plan or approve the plan with amendments.
 4. The funding appropriated in this section may be used for:
 - a. Ninety percent of the cost of the approved projects not to exceed the funding available for that county.
 - b. Funding may be used for construction, engineering, and plan development costs.
 5. Upon approval of the plan, the department of transportation shall transfer to the county the approved funding for engineering and plan development costs.
 6. Upon execution of a construction contract by the county, the department of transportation shall transfer to the county the approved funding to be distributed for county and township rehabilitation and reconstruction projects.
 7. The recipient counties shall report to the department of transportation upon awarding of each contract and upon completion of each project in a manner prescribed by the department.
 8. The funding under this section may be applied to engineering, design, and construction costs incurred on related projects as of January 1, 2013.

9. For purposes of this section, a "bridge" is a structure that has an opening of more than 20 feet [6.096 meters] as measured along the centerline of the roadway. It may also be the clear openings of more than 20 feet [6.096 meters] of a group of pipes as long as the pipes are spaced less than half the distance apart of the smallest diameter pipe.
10. Section 54-44.1-11 does not apply to funding under this section. Any funds not spent by June 30, 2015, must be continued into the biennium beginning July 1, 2015, and ending June 30, 2017, and may be expended only for purposes authorized by this section.

SECTION 34. AMENDMENT. Section 7 of House Bill No. 1358, as approved by the sixty-third legislative assembly, is amended and enacted as follows:

SECTION 7. APPROPRIATION - STATE TREASURER. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$8,760,000, or so much of the sum as may be necessary, to the state treasurer for allocation to counties for allocation to or for the benefit of townships in oil-producing counties, for the biennium beginning July 1, 2013, and ending June 30, 2015. The funding provided in this section must be distributed in equal amounts in July 2013 and May 2014. The state treasurer shall distribute the funds provided under this section as soon as possible to counties and the county treasurer shall allocate the funds to or for the benefit of townships in oil-producing counties through a distribution of \$15,000 each year to each organized township and a distribution of \$15,000 each year for each unorganized township to the county in which the unorganized township is located. For unorganized townships within the county, the board of county commissioners may expend an appropriate portion of revenues under this subdivision for township roads or other infrastructure needs in those townships. A township is not eligible for an allocation of funds under this section if the township does not maintain any township roads. For the purposes of this section, an "oil-producing county" means a county that received an allocation of funding under section 57-51-15 of more than \$500,000 but less than \$5,000,000 in the state fiscal year ending June 30, ~~2012~~2013.

SECTION 35. AMENDMENT. Section 15 of Senate Bill No. 2018, as approved by the sixty-third legislative assembly, is amended and reenacted as follows:

Research North Dakota grants.

The department shall establish and administer a research North Dakota grant program to provide grants to a research university for research, development, and commercialization activities related to a private sector partner. The centers of excellence commission, established under chapter 15-69, shall make grant award determinations under this section. The department shall work with the centers of excellence commission in establishing guidelines to qualify for a grant under this section, including the requirement that an application must be accompanied by a partnership agreement between the private sector partner and a research university. The agreement must include details regarding the scope of the work, the budget, the location of the work to be completed, the intellectual property ownership rights, and the intellectual property income distribution. The commission may approve changes to the scope of the work or the budget only to the extent that the changes are agreed upon by the private sector partner and the research university. Before the commission directs the department to distribute funds awarded under this section, the research university shall provide the commission with detailed documentation of private sector

participation and the availability of one dollar of matching funds for each dollar of state funds to be distributed. Matching funds must be in the form of cash ~~given to the research university~~ and may not include in-kind assets.

SECTION 36. LEGISLATIVE INTENT - CAPITOL GROUNDS PARKING LOT PROJECT. It is the intent of the sixty-third legislative assembly that the office of management and budget, in improving the parking lots on the capitol grounds during the biennium beginning July 1, 2013, and ending June 30, 2015, not reduce the number of parking spaces or the size of the legislative parking lot west of the capitol building."

Page 6, line 22, replace "study" with "consider studying"

Page 6, line 26, replace "As part of the study, the legislative management shall" with "The study, if conducted, must"

Page 7, after line 19, insert:

"SECTION 40. LEGISLATIVE MANAGEMENT STUDY - FOUNDATION AID STABILIZATION FUND. The legislative management shall consider studying during the 2013-14 interim the foundation aid stabilization fund, including anticipated growth in the fund, appropriate funding levels, options for the disposition of excess funding if appropriate funding levels are exceeded, the reallocation of oil extraction taxes currently being deposited in the fund, and the feasibility and desirability of proposing changes to the constitution relating to the foundation aid stabilization fund. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly."

Page 7, line 20, replace "11" with "26"

Page 7, line 21, after "2014" insert "and section 27 of this Act is effective for taxable years after December 31, 2012"

Page 7, after line 21, insert:

"SECTION 42. CONTINGENT EFFECTIVE DATE. Section 23 of this Act becomes effective August 1, 2015, or earlier if the secretary of state makes a report to the legislative management and to the information technology committee certifying that the information technology components of the electronic filing system are ready for implementation of section 23 of this Act, in which case section 23 of this Act becomes effective ninety days following the completion of the certificate requirement.

SECTION 43. EMERGENCY. Sections 21, 23, 27, 28, 29, 30, and 37, \$200,000 included in the operations line item in subdivision 8 of section 1 for the Theodore Roosevelt center, \$5,000,000 included in the operations line item in subdivision 10 of section 1 for flood recovery funding, and the capital assets, master plan and space utilization study, and deferred maintenance pool line items in section 1 of Senate Bill No. 2003, as approved by the sixty-third legislative assembly, are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1015 - Office of Management and Budget - Conference Committee Action

Executive House Conference Conference Senate Comparison

	Budget	Version	Committee Changes	Committee Version	Version	to Senate
Salaries and wages	\$20,904,344	\$19,719,302	\$234,013	\$19,953,315	\$19,953,315	
Operating expenses	14,696,788	14,226,788	170,000	14,396,788	14,746,788	(350,000)
Capital assets	9,796,065	5,796,065	4,155,000	9,951,065	9,951,065	
Grants	430,000	430,000		430,000	430,000	
Emergency Commission contingency fund	700,000	1,000,000	(300,000)	700,000	700,000	
Prairie Public Broadcasting	2,037,138	1,537,138	400,000	1,937,138	2,037,138	(100,000)
State student internship program	200,000	200,000		200,000	200,000	
Health insurance pool - temp employees	2,000,000		2,000,000	2,000,000	2,000,000	
Accrued leave payments		570,412		570,412	570,412	
Transfer to property tax fund		373,210,000	(58,000,000)	315,210,000	373,210,000	(58,000,000)
State agency energy impact pool			8,500,000	8,500,000	8,500,000	
Total all funds	\$50,764,335	\$416,689,705	(\$42,840,987)	\$373,848,718	\$432,298,718	(\$58,450,000)
Less estimated income	9,589,395	8,669,598	5,561,032	14,230,630	14,230,630	0
General fund	\$41,174,940	\$408,020,107	(\$48,402,019)	\$359,618,088	\$418,068,088	(\$58,450,000)
FTE	131.50	130.50	0.00	130.50	130.50	0.00

Department No. 110 - Office of Management and Budget - Detail of Conference Committee Changes

	Removes House Changes to Executive Compensation Package ¹	Adjusts State Employee Compensation and Benefits Package ²	Adjusts Line Item Funding for Central Services Operations ³	Restores a Portion of Funding to Contract with Auditors ⁴	Removes Funding for State Database Website ⁵	Restores Funding for Parking Lot Project ⁶
Salaries and wages	\$654,359	(\$295,346)	(\$125,000)			
Operating expenses			(30,000)	300,000	(100,000)	
Capital assets			155,000			4,000,000
Grants						
Emergency Commission contingency fund						
Prairie Public Broadcasting						
State student internship program						
Health insurance pool - temp employees						
Accrued leave payments						
Transfer to property tax fund						
State agency energy impact pool						
Total all funds	\$654,359	(\$295,346)	\$0	\$300,000	(\$100,000)	\$4,000,000
Less estimated income	110,701	(49,669)	0	0	0	0
General fund	\$543,658	(\$245,677)	\$0	\$300,000	(\$100,000)	\$4,000,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Reduces Funding for State Contingencies ⁷	Restores One-Time Funding for Prairie Public Broadcasting ⁸	Restores Health Insurance Pool for Temporary Employees ⁹	Reduces Transfer to Property Tax Relief Sustainability Fund ¹⁰	Adds State Agency Energy Development Impact Pool ¹¹	Total Conference Committee Changes
Salaries and wages						\$234,013
Operating expenses						170,000
Capital assets						4,155,000
Grants						
Emergency Commission contingency fund	(300,000)					(300,000)
Prairie Public Broadcasting		400,000				400,000
State student internship program						
Health insurance pool - temp employees			2,000,000			2,000,000
Accrued leave payments						
Transfer to property tax fund				(58,000,000)		(58,000,000)
State agency energy impact pool					8,500,000	8,500,000
Total all funds	(\$300,000)	\$400,000	\$2,000,000	(\$58,000,000)	\$8,500,000	(\$42,840,987)

Less estimated income	0	0	1,000,000	0	4,500,000	5,561,032
General fund	(\$300,000)	\$400,000	\$1,000,000	(\$58,000,000)	\$4,000,000	(\$48,402,019)
FTE	0.00	0.00	0.00	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 the market component from 2 to 4 percent per year to 1 to 2 percent per year for employees below the midpoint of their salary range.
- 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.

³ Special funds authority added by the House for Central Services operations is adjusted among line items to reflect anticipated expenses. The Senate also adjusted the funding among line items.

⁴ Funding removed by the House to allow the Office of Management and Budget to contract with external auditors for certain audits is restored to a level of \$300,000. The Senate restored the entire amount of \$600,000 as included in the executive budget recommendation.

⁵ Funding added by the House for costs associated with the implementation of a political subdivision-reporting component for the state database website is removed. The section added by the House allowing political subdivisions to report data is revised and included in the amendment. The Senate removed the section.

⁶ One-time funding from the general fund removed by the House for Capitol grounds parking lot projects is restored. The Senate also restored the funding. A section of legislative intent is also added regarding the parking lot project.

⁷ Funding for the state contingency fund is reduced from \$1,000,000 to \$700,000, the same amount as provided in the executive budget recommendation and Senate versions.

⁸ A portion of one-time funding for Prairie Public Broadcasting equipment upgrades is restored to provide total one-time funding of \$600,000. The House provided one-time funding of \$200,000 and the Senate provided one-time funding of \$700,000.

⁹ Funding removed by the House for a health insurance pool for temporary employees is restored. A section is added to allow the Office of Management and Budget to transfer funds from the pool to other state agencies. The Senate also restored the funding and related section.

¹⁰ The transfer to the property tax relief sustainability fund from the general fund is reduced from \$373,210,000 to \$315,210,000.

¹¹ A section is added to provide funding and guidelines for a state agency energy impact funding pool. The pool is to be used to address housing and salary needs of state agency employees living in areas affected by energy development. The Senate also added funding and guidelines for a state agency energy impact funding pool.

This amendment also:

- Transfers \$520 million from the strategic investment and improvements fund to the general fund during the 2013-15 biennium.
- Adds a section to provide guidelines regarding the allocation of community service supervision grants and provides that any funding available in the community service supervision fund is appropriated to the Office of Management and Budget for distribution to community corrections association regions. The Senate also added this section.
- Adjusts Sections 8 and 9 regarding state employee compensation guidelines and agency accrued leave payments line items, the same as the Senate.
- Amends Section 48-10-02 to increase the continuing appropriation provided from the Capitol building fund to the Capitol Grounds Planning Commission from \$100,000 per biennium to \$175,000 per biennium. The Senate increased the continuing appropriation authority to \$250,000.
- Adjusts Section 11 relating to political subdivisions submitting information for inclusion on the state budget website.
- Amends Section 14-03.2-05 as approved in House Bill No. 1128 relating to premarital agreements.
- Amends Section 23-35-07 relating to health district budgets.
- Amends Section 5 of House Bill No. 1020 regarding Western Area Water Supply Authority loans.
- Amends a subdivision of Section 62.1-04-03 as approved in House Bill No. 1327 regarding concealed weapons permits.
- Provides an exemption from state procurement requirements as it relates to airplane purchases by the Department of Transportation.
- Amends a subsection of Section 41-09-87 regarding Uniform Commercial Code filings.
- Amends Section 54-44.1-04 relating to the submission of state agency budget requests to the Office of Management and Budget.
- Authorizes the Racing Commission to transfer funds from the breeders' fund to the purse fund and racing promotion fund to promote additional horse races in the state during the 2013-15 biennium.
- Adds a section to allow the Department of Human Services to use funds to provide a grant to an organization assisting hospitals in developing software for patient verification.
- Amends Section 12 of House Bill No. 1012 and adds a section to allow the Department of Human Services to award a grant to a jurisdiction adjacent to an Indian reservation that administers human services programs.
- Amends Section 15 of Senate Bill No. 2018 regarding Research North Dakota grants.
- Adds a Legislative Management study of uses of the foundation aid stabilization fund.
- Includes sections added by the House providing for Legislative Management studies of state agency facility needs and appropriations for state agency salaries and wages. The Senate removed these sections.
- Provides an exception to the calculation of general fund transfers to the budget stabilization fund.
- Amends Sections 5, 6, and 7 of House Bill No. 1358 relating to transportation funding distributions.
- Amends Section 1 of House Bill No. 1019 regarding appropriations for the Parks and Recreation Department.
- Amends a subsection of Section 57-02-08.1 as approved in Senate Bill No. 2171 regarding the homestead tax credit.
- Declares certain portions of Senate Bill No. 2003 to be an emergency.

Engrossed HB 1015 was placed on the Seventh order of business on the calendar.

2013 TESTIMONY

HB 1015

HB 1015
January 16, 2013
Attachment 1

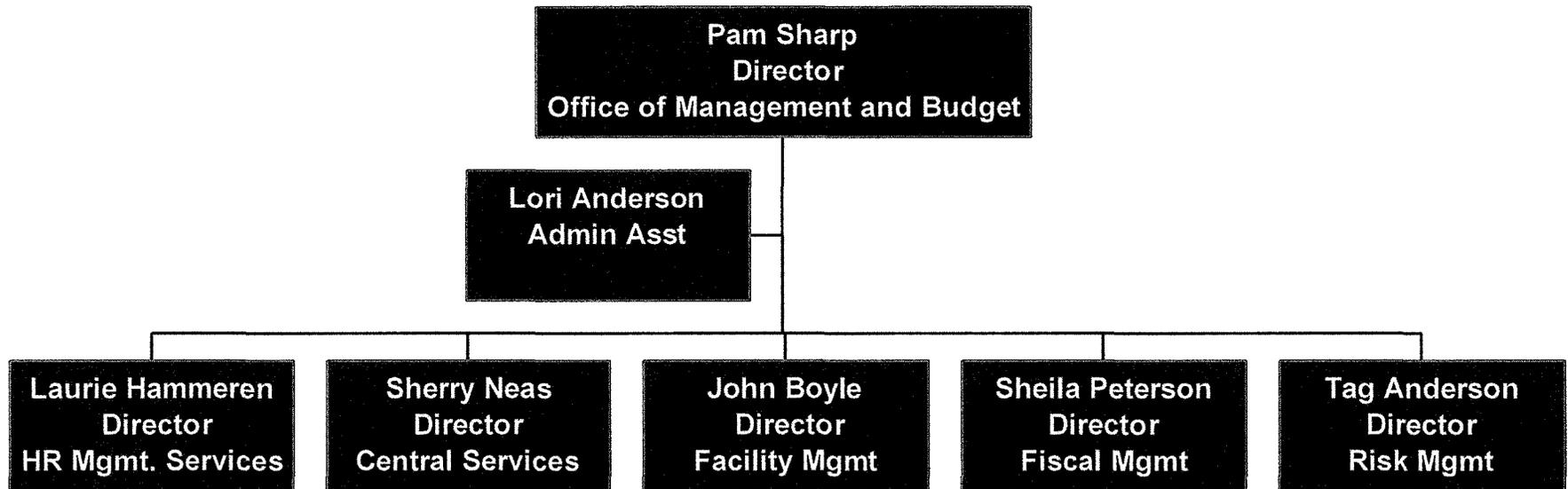
Office of Management and Budget

Testimony on House Bill 1015



**Government Operations Division
House Appropriations Committee
January 16, 2013**

Office of Management and Budget Organizational Chart



Testimony on HB 1015
Pam Sharp, Director
Office of Management and Budget
January 16, 2013

Good morning Chairman Thoreson and members of the Government Operations Division of the House Appropriations Committee. My name is Pam Sharp and I am the Director of the Office of Management and Budget.

Before each of the division directors of OMB provide their testimony to you on their respective divisions, I will give you an overview of the proposed budget for OMB and will address the items you have requested of us in your letter.

Amendment

After the budget went to the printer, we discovered a couple items that we had intended to include in our budget, but got missed. We have prepared an amendment to address these items.

1. Remove one FTE and the general funds dollars associated with the FTE, which amounts to \$150,000. Due to reorganization of staffing in Facility Management, we have been able to make this reduction without reducing any services.
2. Increase special fund authority for Central Services by \$185,000 to provide for IT equipment and software and overtime, and temporary salaries, if necessary.

Audit Recommendation

1. We recommend the Office of Management Budget properly segregate duties within Surplus Property, so that individuals with access to cash or inventory do not have access to inventory records.
2. We recommend the Office of Management and Budget properly segregate duties, so that individuals responsible for investigating discrepancies in physical inventories and cash collections do not have access to inventory and cash, respectively.

Surplus Property is in the process of implementing a new inventory system and that will take care of the first recommendation. The second recommendation was resolved by having an individual from the Procurement Office perform the inventory instead of a Surplus Property employee.

2011-13 Appropriation

OMB's current general fund appropriation is \$31,993,350 and we estimate we will spend about \$29,867,620. The general fund variances are estimated as follows:

Salaries and Benefits	\$ 420,000	Vacant FTEs
IT Data Processing	470,000	Lower IT Costs
Capital Assets	1,150,000	Unfinished capital projects

OMB's total special funds amount to \$10,514,461 and we anticipate spending about \$8,630,187. OMB's sources of special funds are the Risk Management funds, the operating fund for Central Duplicating and Surplus Property, unemployment insurance fund, and the Capital Building Trust fund. We anticipate our unspent special fund variances will be as follows:

Salaries and Benefits	\$ 620,000	Unemployment fund
	120,000	Vacant FTE
Capital Assets	1,100,000	South Entrance and Capital Café & hallway remodels

2013-15 Budget Request – General Fund Ongoing

Salary and Benefits – compensation plan	\$1,020,203
Contingent funding for outside auditors to audit CAFR	600,000
Prairie Public operating funds	337,000
North Dakota's 125 th Anniversary Coordinator	190,000
HRMS position funding	171,000

2013-15 Budget Request – General Fund One-time

Health Insurance pool for temporary employees (requirement of the Affordable Care Act)	\$1,000,000
Capitol South entrance	1,000,000
Exterior restoration of legislative and judicial wing	1,500,000
Parking lot projects	4,000,000
Prairie Public	700,000
Repair, restore, clean flooring of capitol and judicial wing	1,200,000

2013-15 Budget Request – Special Fund One-time

Health Insurance pool for temporary employees (requirement of the Affordable Care Act)	\$1,000,000
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Explanation of Appropriation Bill

Section 3 transfers \$744.3 million from the 2011-13 biennium's surplus ending balance to the Property Tax Relief fund. This transfer provides funding to maintain the 75 mill buy-down (\$53.8 million) and provides for an additional 60 mill buy-down (\$318.5) through integrated school aid for the 2013-15 biennium. The remaining amount of the transfer (\$372.3 million) provides funding for the continuation of the 135 mill buy-down for the 15-17 biennium.

Section 4 provides carryover authority for the Fiscal Management division of OMB. We have had this authority for several bienniums. The purpose of this carryover is to have funds available to deal with any development or operating costs necessary for managing the statewide systems OMB is responsible for. This includes PeopleSoft financials and human resources, payroll and budget. It is essential for us to be able to deal with issues that come up during the biennium so we can ensure our statewide systems provide the services as intended.

Section 5 deals with state memberships – an appropriation to the boys and girls clubs (4-H), unemployment insurance, and an appropriation for the Capitol Grounds Planning Commission. Statewide memberships total \$611,000, which is the same amount as last biennium.

Section 6 allows Human Resource Management Services to transfer appropriation authority to eligible agencies for the state student internship program, which is a \$200,000 appropriation. This is the same amount as the last two bienniums. If an internship qualifies, up to half of the funding required for a student internship in an agency could be funded from this program.

Section 7. Health Insurance Pool for temporary employees. The shared responsibility provisions of the Affordable Care Act require employers to provide health insurance to temporary employees. The requirement doesn't go into effect until 2014 and certain criteria must be established. OMB's appropriation bill contains \$1 million of general fund authority and \$1 million of special fund authority for this mandate. This section allows OMB to transfer authority to agencies and institutions of higher education to pay for health insurance for temporary employees that meet the guidelines.

Section 8 allows agencies to transfer appropriation authority between lines items as it relates to the compensation increases for the 13-15 biennium. This language is needed for those agencies that pay employees out of special lines.

Section 9 provides for state employee compensation adjustments and guidelines. We have briefed the full House Appropriations committee on the details of the compensation recommendation, so I won't go into that detail now. However, if you would like OMB to provide any more information, we are willing to do that at your convenience.

Section 10 is an amendment and provides some clean-up language regarding the distribution of mineral leasing fees to counties. The state shares mineral leasing fees equally with the counties the fees were derived from. Currently, when the state receives mineral leasing fees, the entire amount is recorded as general fund revenue. A distribution is made quarterly to the counties and when the distributions are made, the

amount comes directly out of the general fund, which makes it look like negative revenues in the general fund.

This amendment creates a fund to initially deposit the county's share separate from the general fund share. The county distribution would then be made directly out of that fund. This way, the county share would never hit the general fund. This is the same way the Tax Department handles individual and corporate tax refunds.

Section 11 provides for an emergency clause for Section 3 of this bill. Section 3 provides for the transfer of money into the Property Tax Relief fund out of the current biennium's surplus. An emergency clause is needed to make this transfer prior to the end of the biennium.

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1015

Page 1, line 15, overstrike "\$2,426,581" and insert immediately thereafter "\$2,276,581"

Page 1, line 15, overstrike "\$20,904,344" and insert immediately thereafter "\$20,784,344"

Page 1, line 19, overstrike "\$4,605,922" and insert immediately thereafter "\$4,760,922"

Page 1, line 19, overstrike "\$9,796,065" and insert immediately thereafter "\$9,951,065"

Page 2, line 1, overstrike "\$11,011,175" and insert immediately thereafter "\$11,046,175"

Page 2, line 1, overstrike "\$50,764,335" and insert immediately thereafter "50,799,335"

Page 2, line 2, overstrike "(925,066)" and insert immediately thereafter "(740,066)"

Page 2, line 2, overstrike "9,589,395" and insert immediately thereafter "9,774,395"

Page 2, line 3, overstrike "\$11,936,241" and insert immediately thereafter "\$11,786,241"

Page 2, line 3, overstrike "\$41,174,940" and insert immediately thereafter "\$41,024,940"

Page 2, line 4, overstrike "0.00" and insert immediately thereafter "(1.00)"

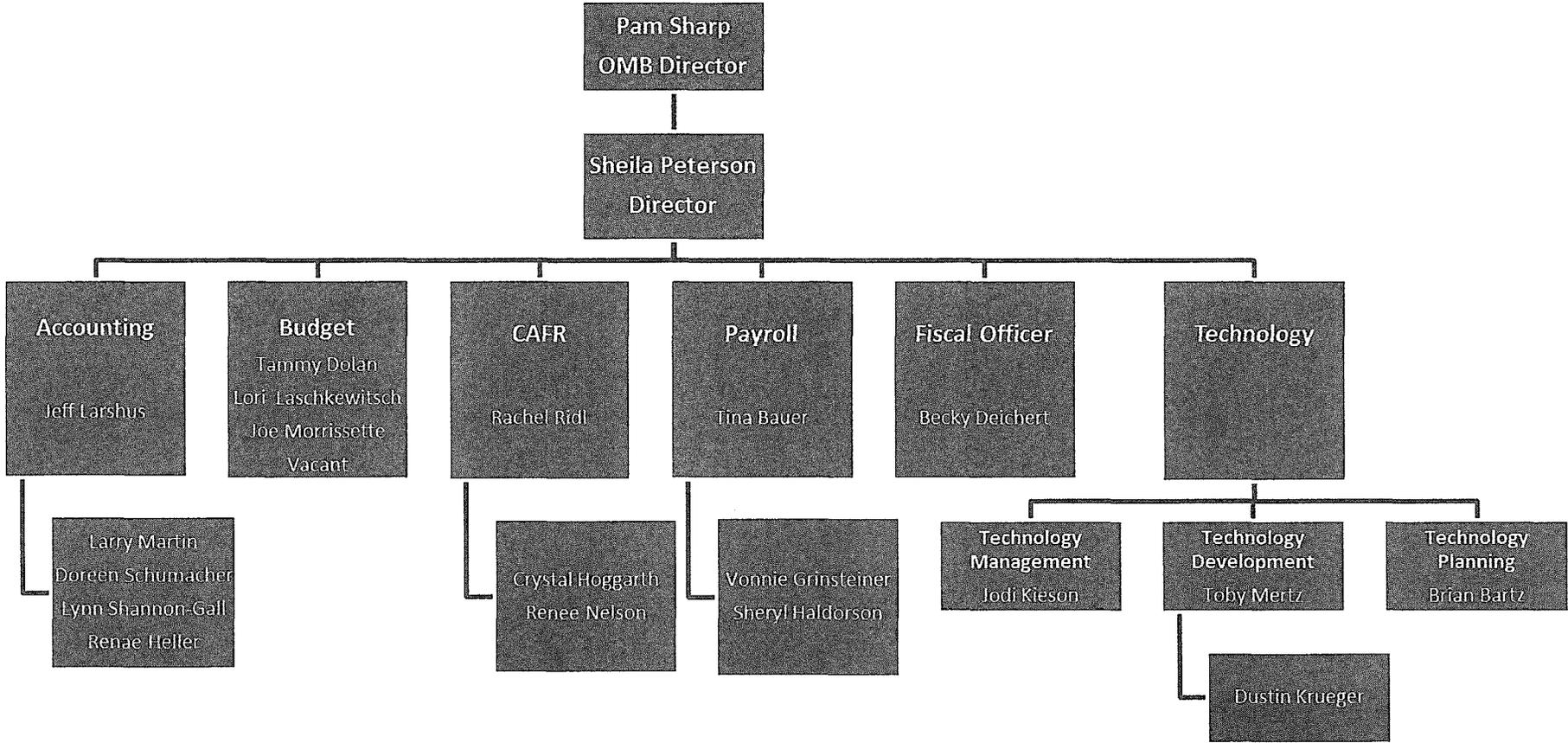
Page 2, line 4, overstrike "131.50" and insert immediately thereafter "130.50"

Renumber accordingly

Statement of Purpose: Removes \$150,000 and 1.00 FTE from Facilities Management. Increases capital assets in Central Services' with \$155,000 special fund authority for software and increases Central Services salaries with \$30,000 for special fund authority for temporary salaries.

Office of Management and Budget
Fiscal Management Division
January 2013

9



Testimony on HB 1015
Sheila Peterson, Director
OMB Fiscal Management Division
January 16, 2013

Good morning Mr. Chairman and members of the Government Operations, House Appropriations Committee. My name is Sheila Peterson. I am the Director of the Fiscal Management Division of OMB.

The Fiscal Management Division has four major areas of responsibility: budget, accounting, payroll, and financial reporting.

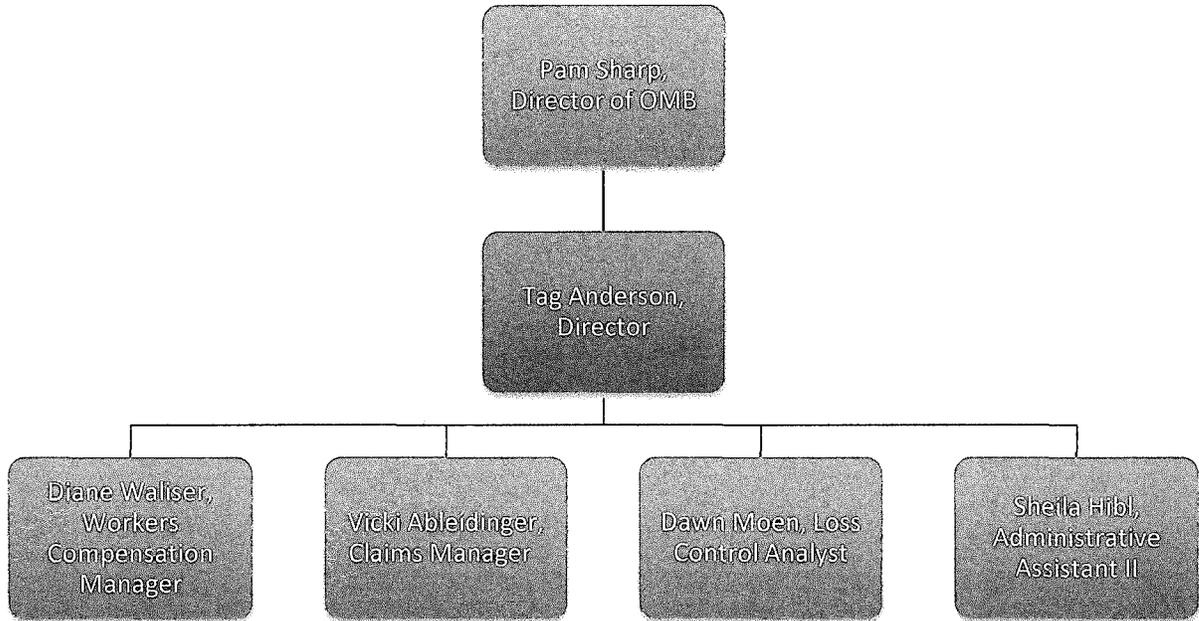
We measure our success in terms of peer evaluation. Our peer evaluations come through the Government Finance Officers Association (GFOA) of the United States and Canada. Our last Comprehensive Annual Financial Report (CAFR) again received the GFOA Certificate of Achievement for Excellence in Financial Reporting. We have received this award every year since 1991. Our last budget documents again received the GFOA Distinguished Budget Presentation Award. We have received this award every biennium since 1993.

Ninety-four percent (94%) of the Fiscal Management budget falls into two categories - data processing and salaries. All of our functions depend on technology and people. The remainder of our bigger expenses includes consultants and printing. Consultants are hired for revenue and economic forecasting, cost allocation, and assisting us in the statewide comprehensive annual financial reports. Printing expenses include the CAFR and all budget documents and W2s.

The only major change from our current appropriation to the Governor's recommendation is the compensation package.

Mr. Chairman, that concludes my remarks. I would be happy to answer any questions.

Office of Management and Budget
Risk Management Division
January 2013



Testimony on HB 1015
Tag Anderson, Director
OMB Risk Management Division
January 16, 2013

Mr. Chairman, and members of the Government Operations, House Appropriations Committee, my name is Tag Anderson. I am the Director of the Risk Management Division of OMB.

The Risk Management Division was established to address the State's exposure to tort liability following the loss of sovereign immunity. The Risk Management Division has also been delegated the responsibility of administering the consolidated state agency workers compensation account.

The division staff consists of 5 FTE - the director, the manager of the risk management workers compensation program, a claims manager, a loss control analyst, and an administrative assistant.

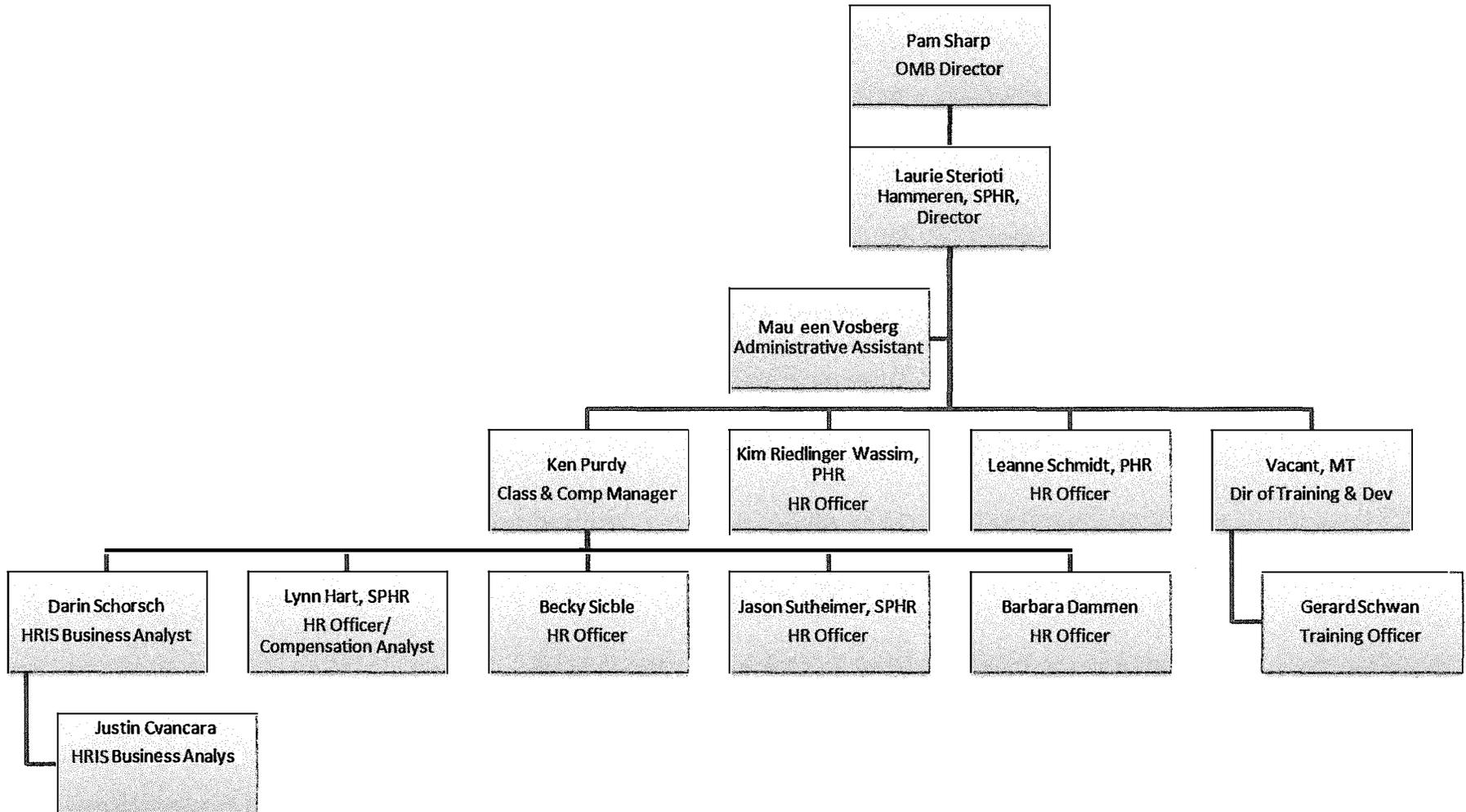
On the tort liability side, the division administers all claims and lawsuits filed against the State and state employees through the Risk Management Fund. Contribution rates for the Fund are determined by an actuarial review which includes a review of each state entity's loss history. State entities can reduce their required contributions if they can document that they have implemented pro-active loss control procedures pursuant to criteria established by the division that are designed to reduce the number and severity of claims and lawsuits.

On the workers compensation side, the risk management workers compensation program (RMWCP) continues to save workers compensation premium dollars through the establishment of the account that consolidated 143 state agency accounts, authorized a \$100,000 deductible per claim, and facilitated the cross agency return-to-work program.

The 2011 legislative appropriation was based upon \$1,437,289 for the division's budget. Our requested budget for 2013-15 biennium is \$1,482,282 all in special funds.

Thank you.

Office of Management and Budget
Human Resource Management Services Division
January 2013



Testimony HB 1015
Laurie Sterioti Hammeren, Director
OMB Human Resource Management Services
January 16, 2013

Good morning, Chairman Thoreson and members of the Government Operations, House Appropriations Committee. I am Laurie Sterioti Hammeren, Director of Human Resource Management Services (HRMS), a division of the Office of Management and Budget.

HRMS establishes and maintains classification and compensation plans as well as general policies and rules, which are binding on the affected agencies covering 7,167 classified employees.

HRMS has 13 FTE positions. We provide an array of services in four broad functional areas:

- Classification and compensation;
- Human Resource management support, consulting, and coaching;
- Employment services to include conflict resolution and mediation; and
- Training and development.

I, as the division director, also serve as the chair of the State Personnel Board.

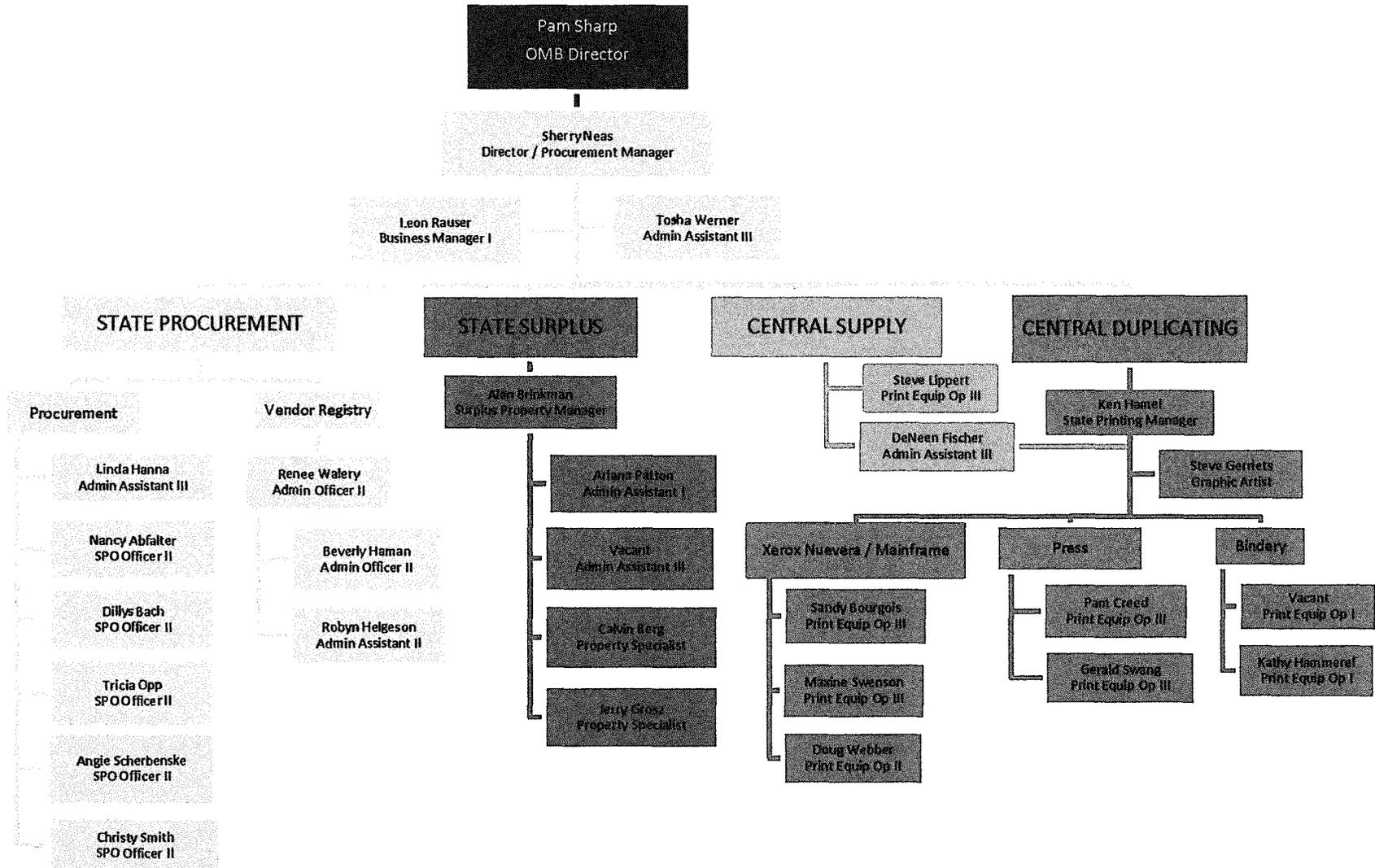
HRMS also provides significant resources and support to agencies through the continued development and maintenance of the HRMS website, www.nd.gov/hrms.

Our budget request for this next biennium is \$2,657,288 from the general fund. Ninety-three percent (93%) of HRMS' program costs are salaries. Operating expenses account for seven percent (7%) of HRMS' program costs. All of the division's services require human capital. Operating expenses focus on the services provided to agencies through printing, our website, and maintaining and developing staff expertise, as well as supplies and materials.

Changes for the 2013-15 biennium include wages and salaries that reflect the prior biennium's legislatively authorized salary increases. In addition, our request includes general funding for an existing full-time position that was special funded and has been transferred from another division within OMB. This position was added to HRMS to support the implementation and maintenance of the HR management of PeopleSoft.

Mr. Chairman, this concludes my remarks. I would be happy to answer any questions.

**Office of Management and Budget
Central Services Division
January 2013**



Testimony on HB 1015
Sherry Neas, Director
OMB Central Services Division
January 16, 2013

Chairman Thoreson and members of the committee, my name is Sherry Neas, director of the OMB Central Services Division. Our division operates four programs.

One program is general funded. The State Procurement Office establishes state contracts for goods and services, assists agencies with their purchases, and hosts a state bidding opportunities website. Its Vendor Registry section administers the PeopleSoft/Oracle vendor database and purchasing.

Three programs are special funded. These programs are self-supporting, and charge reasonable fees to recover the cost of operations:

- Central Duplicating provides printing service for state government entities.
- Central Supply provides office supplies and paper products to state agencies.
- State Surplus Property distributes state and federal surplus property to state agencies, political subdivisions, and eligible non-profit entities.

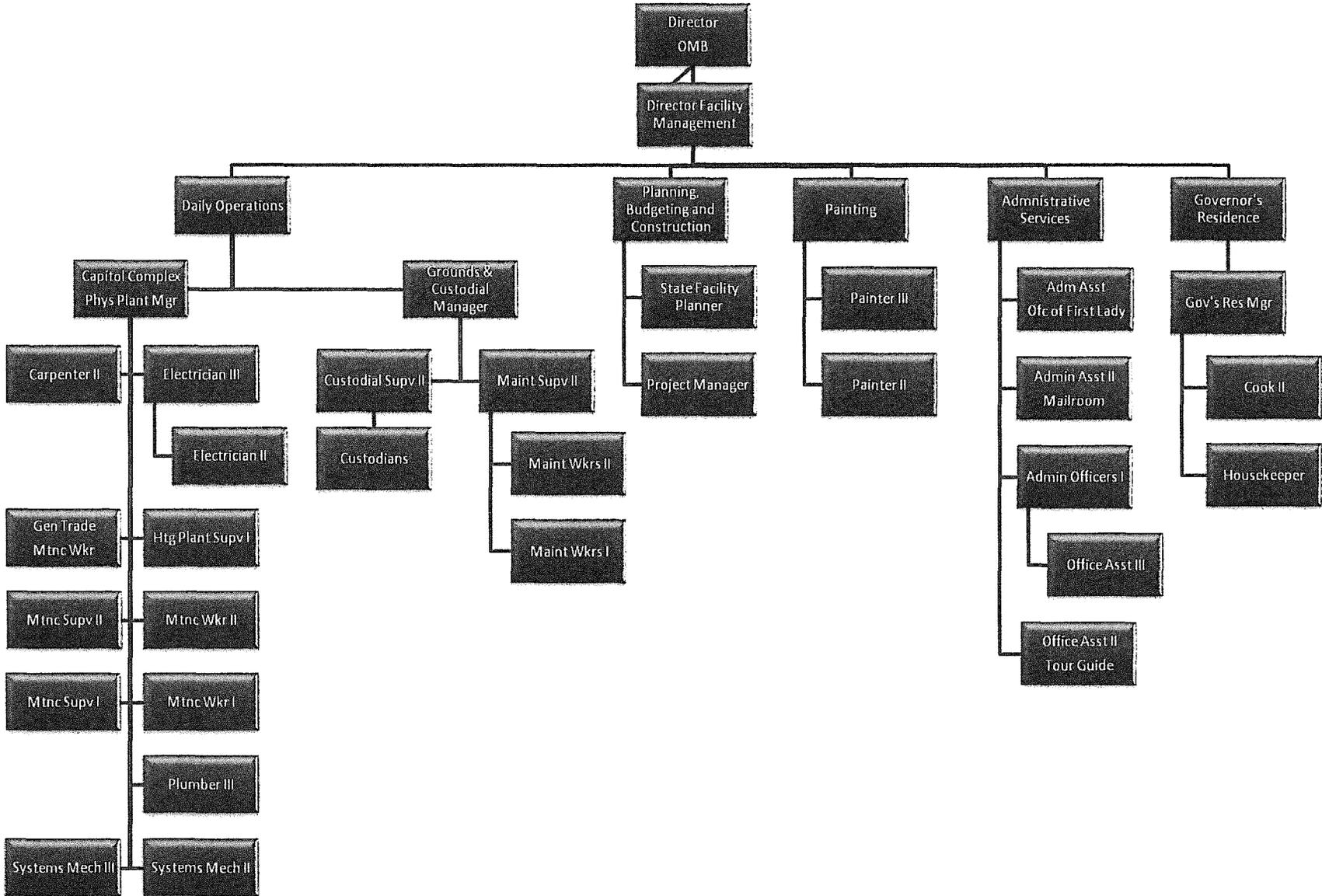
The total budget request for Central Services Divisions is \$7,048,824. The budget is 26% General Fund and 74% Special Funds. The net overall budget increased \$379,769.

- This budget increase was primarily special fund operating which is used to acquire inventory for surplus property, printing, and supply. Increased special fund spending authority is primarily needed to purchase federal surplus property for distribution to state agencies, political subdivisions, schools, and other eligible organizations due to inflation and business volume
- Salaries make up 50% of the total budget, and 54% of salaries are special funded.
- Salaries increased to continue the 2011-13 legislatively authorized increases.
- One FTE position was transferred to HRMS, so total authorized employees were reduced to 28.

Mr. Chairman, this concludes my testimony. I will be happy to answer any questions.

Office of Management and Budget Facility Management Division

January 2013



Testimony on HB 1015
John Boyle, Director
OMB Facility Management Division
January 16, 2013

Good morning Chairman Thoreson and members of the House Appropriations Government Operations Division committee. My name is John Boyle. I am the Director of the Facility Management Division within the Office of Management and Budget.

The Facility Management Division is currently comprised of 62.5 full-time employees. As Pam mentioned in her testimony, we are decreasing our full-time employees by one for the coming biennium. These employees provide central mailroom and tour guide services as well as custodial, grounds and landscaping, and maintenance services within the Capitol Complex. These state employees ensure the public, elected officials, appointed officials, and other state employees working within the Capitol Complex are provided a safe, clean and friendly environment.

We are requesting \$20,489,968 less the \$150,000 in the amendment we submitted to you in general fund spending authority for the next biennium. The amount requested from the general fund is a nine point four percent increase from the budgeted amount requested two years ago.

This nine point four percent increase is attributable to the recommended salary increases and additional extraordinary repair expenses associated with one-time spending.

Fifty-three percent of my Division's budget falls into two categories-salaries and benefits and operating expenses. The three largest items within the operating expenses are monthly utilities, daily repairs and daily maintenance. The remaining forty-seven percent of the budget accounts for our extraordinary repairs, maintenance and equipment. The items within this category include the terrazzo cleaning and repair in the Capitol and Judicial Wing, the second phase of the Remodeling of the Capitol's South Entrance, second phase of the Redesigned North Parking Lot, Cafeteria Corridor and Loading Dock Expansion, and the Legislative and Judicial Wing Envelope Restoration and Cleaning.

The Capitol and Judicial Wing terrazzo project includes the cleaning and repair of all the terrazzo located in each of these buildings. This project was approved in the 2009-2011 biennium. However, these funds were utilized for the server room electrical and mechanical enhancements. Terrazzo floors are located in the elevator lobby of each floor in the Capitol and each floor of the atrium in the Judicial Wing.

The Envelope Restoration project includes the replacement, repair or reattachment of

identified limestone panels on the Legislative and Judicial Wings of the Capitol and the cleaning of all the limestone. The \$1.5 million estimate was obtained after the completion of the Capitol tower restoration and cleaning project. If approved, this project would commence in the spring of 2014.

The capitol grounds planning commission has approved and prioritized two projects totaling \$5 million of projects out of the general fund. These projects include the second phase of the Redesigned North Parking Lot, Cafeteria Corridor Remodel and Loading Dock Expansion and the second phase of the Remodeling of the Capitol's South Entrance. The first phase of the parking lot project included the newly constructed 280 space parking lot. The first phase of the Capitol south entrance includes the exterior portion of the project. We have funding in the current biennium for this phase of the project. This project will commence prior to the end of the biennium. Phase two will include the monumental steps and interior finishes within the tunnel located under the stairs. The capitol grounds planning commission requested we include these requests in our budget.

Facility Management takes pride in providing a safe, clean and friendly environment to all those using the Capitol Complex. It is our goal to ensure that we maintain these standards each biennium. Facility Management measures our effectiveness by utilizing our work order management system and by conducting surveys.

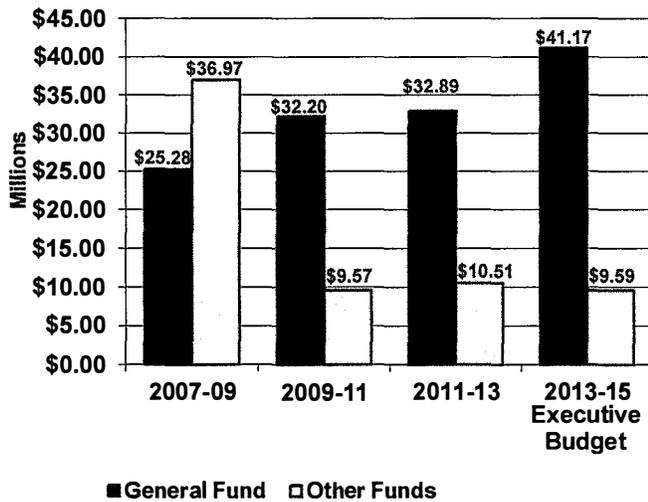
Mr. Chairman, this concludes my prepared remarks. At this time, I would be happy to answer any of your questions.

**Department 110 - Office of Management and Budget
 House Bill No. 1015**

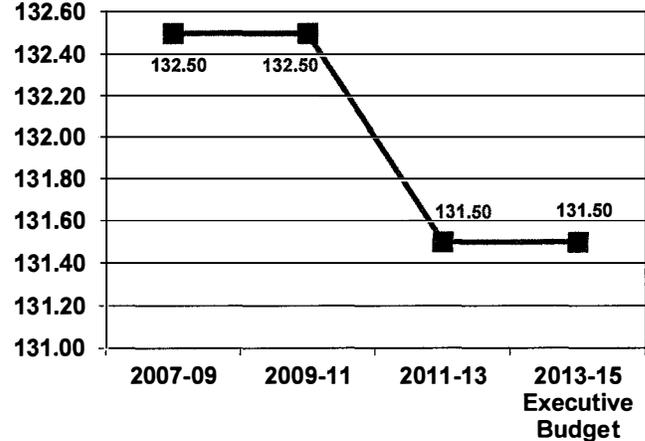
	FTE Positions	General Fund	Other Funds	Total
2013-15 Executive Budget	131.50	\$41,174,940	\$9,589,395	\$50,764,335
2011-13 Legislative Appropriations	131.50	32,892,699 ²	10,514,461	43,407,160 ¹
Increase (Decrease)	0.00	\$8,282,241	(\$925,066)	\$7,357,175

¹The 2011-13 appropriation amounts do not reflect transfers to other state agencies from the state contingencies fund or transfers to other agencies for the state student internship program. The 2011-13 appropriation amounts also do not reflect general fund amounts appropriated to the Office of Management and Budget (OMB) for transfers to various special funds.
²Does not include \$683.6 million included in the executive budget recommendation for OMB to transfer to the state highway fund.

Agency Funding



FTE Positions



Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2013-15 Executive Budget	\$31,584,940	\$9,590,000	\$41,174,940
2011-13 Legislative Appropriations	29,238,699	3,654,000	32,892,699
Increase (Decrease)	\$2,346,241	\$5,936,000	\$8,282,241

Executive Budget Highlights

	General Fund	Other Funds	Total
Administration			
1. Provides one-time funding for maintenance and replacement of Prairie Public Broadcasting equipment, transmitters, network, and facilities	\$700,000		\$700,000
2. Increases ongoing funding for Prairie Public Broadcasting	\$337,138		\$337,138
3. Provides one-time funding for a temporary planning coordinator for the state's 125 th anniversary celebration	\$190,000		\$190,000
4. Provides funding to contract with an outside audit firm to conduct the state Comprehensive Annual Financial Report audit and the OMB agency audit	\$600,000		\$600,000
5. Provides one-time funding for a health insurance pool to allocate to state agencies for temporary employees that qualify for health insurance due to the requirements of the Affordable Care Act	\$1,000,000	\$1,000,000	\$2,000,000
6. Provides \$700,000 of funding from the general fund for the state contingencies fund, the same amount of funding as provided for the 2011-13 biennium			

7. Provides funding for state employee salary increases of which \$1,020,203 \$208,957 \$1,229,160
 \$852,783 relates to performance increases and \$376,377 is for market equity adjustments

Facility Management

1. Provides one-time funding for the exterior restoration of the judicial and legislative wings of the Capitol building \$1,500,000 \$1,500,000
 2. Provides one-time funding to clean and repair the terrazzo flooring in the Capitol building \$1,200,000 \$1,200,000
 3. Provides one-time funding to remodel the south entrance to the Capitol building \$1,000,000 \$1,000,000
 4. Provides one-time funding to continue the north and west parking lot project \$4,000,000 \$4,000,000

Central Services

1. Adds special fund authority resulting from increased business volume and inflationary increases \$500,000 \$500,000

Human Resource Management Services

1. Increases funding for the support of ConnectND human resources modules \$171,348 \$171,348

Risk Management

1. Adds special fund authority for a foreign travel insurance policy \$20,000 \$20,000

The following is a comparison of funding from the general fund for statewide dues and memberships:

Statewide Dues and Memberships		
	2011-13 Biennium	2013-15 Biennium
Commission on Uniform State Laws (This budget includes travel costs, conference registration, and annual dues.)	\$151,000	\$145,000
Council of State Governments	182,000	188,000
Governmental Accounting Standards Board	6,000	6,000
Western Governors' Association	74,300	74,300
National Governors Association	81,500	81,500
National Lieutenant Governors Association	1,200	1,200
Education Commission of the States	115,000	115,000
Total dues and memberships	\$611,000	\$611,000

Other Sections in Bill

General fund transfer to property tax relief sustainability fund - Section 3 provides for a transfer of \$744,767,676 from the general fund to the property tax relief sustainability fund during the 2011-13 biennium.

Unexpended appropriation continuation - Section 4 provides that amounts appropriated to the fiscal management section in 2011 Senate Bill No. 2015 are not subject to the provisions of North Dakota Century Code Section 54-44.1-11 which require unexpended appropriations to be canceled at the end of the biennium.

State internship program - Section 6 authorizes the Human Resource Management Services division to transfer funds appropriated for the state student internship program to other agencies.

Temporary Employee Health Insurance Pool - Section 7 authorizes OMB to transfer funds to eligible agencies from the temporary employee health insurance pool.

State employee compensation transfers - Section 8 authorizes state agencies to transfer funding between line items for 2013-15 biennium compensation increases.

State employee compensation adjustments - Section 9 provides legislative intent that funding provided for state employee salary increases be used to provide 3 to 5 percent annual performance compensation adjustments and 1 to 4 percent annual market equity adjustments to eligible state employees during the 2013-15 biennium. Performance compensation adjustments are to vary based on documented performance and equity and employees whose documented performance does not meet standards are not eligible for compensation adjustments. Market equity adjustments are to be provided to employees below their respective market policy point.

Continuing Appropriations

Risk management fund - Chapter 32-12.2 - Risk fund used to timely settle claims and lawsuits

Risk management workers' compensation fund - Section 65-04-03.1 - Provides workers' compensation for state employees

Human Resource Management Services training fund - Section 54-44-11 - State personnel training and development operating fund

Capitol building fund - Chapter 48-10 - Income and interest of the fund may be used for capital grounds projects approved by the Capitol Grounds Planning Commission. The continuing appropriation amount is limited to 50 percent of the unencumbered balance of the fund on the first day of the biennium subject to a maximum amount of \$100,000.

Preliminary planning revolving fund - Section 54-27-22 - Preliminary planning revolving fund for state agencies to study and plan for capital projects

Postage revolving fund - Chapter 48-06 - Used to purchase postage for postage machines in central mailroom

Indigent civil legal services fund - Section 54-06-20 - Used for distributions to legal services programs that provide civil legal assistance to indigent individuals

State purchasing operating fund - Section 54-44-11 - Used for the procurement and maintenance of an equipment and supply inventory for state agencies

Significant Audit Findings

The operational audit of OMB conducted by the State Auditor's office for the biennium ending June 30, 2011, included a significant audit finding relating to a lack of segregation of duties for cash an inventory in the surplus property division.

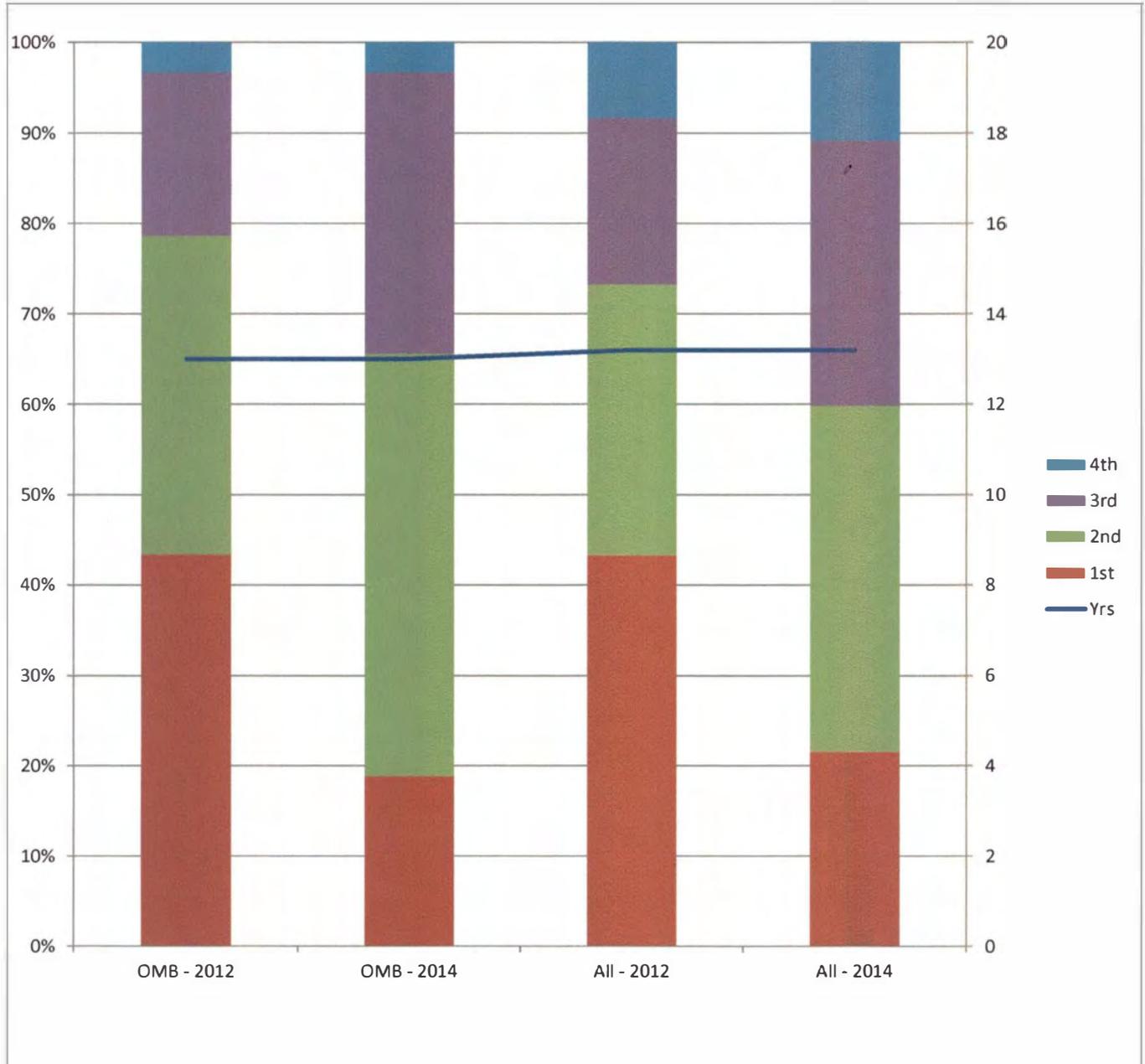
Major Related Legislation

House Bill No. 1041 - Guardianship and public administrator services grants - Provides an appropriation of \$1,657,100 to OMB to provide grants to counties for guardianship and public administrator services

House Bill No. 1099 - Part-time and temporary FTE position approval - Requires agencies to provide documentation justifying the need for new FTE positions and to receive specific legislative approval for temporary positions in addition to permanent positions

110 - OMB - 2012-14 Quartile Charts

HB 1015
 Attachment 1
 January 28, 2013



1701011 - Worksheet 2 February 2014.xls

EXAMPLE

		Relativity to Market Policy Position *				+ Meet Standards		+ Exceed Standards		Current C/R		Projected 2013 C/R		Projected 2014 C/R		EXAMPLE																			
MPP + 2nd Qtr		0%		+		3.0%		5.0%		0.90		0.93		0.96																					
1st Qtr		1 - 2.0%																																	
		2 - 4.0%																																	
* ALL increases contingent upon Performance Meeting Standards																																			
																2013						2014													
CURRENT																Market/Policy Position Increase		Performance Increase		Total Increase		After July 1, 2013				Market Policy Position Increase		Performance Increase		Total Increase		After July 1, 2014			
Yrs Svc	Job Title	FTE	Ann. Sal.	Grada	Market Policy Point	C/R (Current)	2012 Qtr	%	\$	%	\$	%	\$	2013 New Salary	New MPP (3% range increment)	2013 New C/R	2013 Qtr	%	\$	%	\$	%	\$	2014 New Salary	New MPP (3% range increment)	2014 New C/R	2014 Qtr								
16.9	ADMIN ASSISTANT II	36,444	H	41,612	1.00	0.88	2	2.0%	729	3.0%	1,093	5.0%	1,822	38,266	42,860	0.89	2	2.0%	765	3.0%	1,148	5.0%	1,913	40,179	44,146	0.91	2								
22.6	ADMIN ASSISTANT III	46,020	I	45,938	1.00	1.00	3	0.0%	-	5.0%	2,301	5.0%	2,301	48,321	47,316	1.02	3	0.0%	-	5.0%	2,416	5.0%	2,416	50,737	48,735	1.04	3								
13.0	ADMIN ASSISTANT III	47,208	I	45,938	1.00	1.03	3	0.0%	-	3.0%	1,416	3.0%	1,416	48,624	47,316	1.03	3	0.0%	-	3.0%	1,459	3.0%	1,459	50,083	48,735	1.03	3								
14.3	COMPUTER & NETWK SPEC II	47,136	J	50,985	1.00	0.92	2	2.0%	943	5.0%	2,357	7.0%	3,300	50,436	52,515	0.96	2	2.0%	1,009	5.0%	2,522	7.0%	3,531	53,967	54,090	1.00	3								
0.5	COMPUTER & NETWK SPEC III	63,000	L	60,564	1.00	1.04	3	0.0%	-	3.0%	1,890	3.0%	1,890	64,890	62,381	1.04	3	0.0%	-	3.0%	1,947	3.0%	1,947	66,837	64,252	1.04	3								
23.3	STATE PAYROLL MANAGER	61,800	M	66,332	1.00	0.93	2	2.0%	1,236	5.0%	3,090	7.0%	4,326	66,126	68,322	0.97	2	2.0%	1,323	5.0%	3,306	7.0%	4,629	70,755	70,372	1.01	3								
16.2	STATE PAYROLL ADMIN OFF	43,200	J	50,985	1.00	0.85	1	4.0%	1,728	3.0%	1,296	7.0%	3,024	46,224	52,515	0.88	2	2.0%	924	3.0%	1,387	5.0%	2,311	48,535	54,090	0.90	2								
14.9	STATE PAYROLL ADMIN OFF	45,720	J	50,985	1.00	0.90	2	2.0%	914	5.0%	2,286	7.0%	3,200	48,920	52,515	0.93	2	2.0%	978	5.0%	2,446	7.0%	3,424	52,344	54,090	0.97	2								
2.6	ACCOUNT/BUDGET SPEC III	50,400	L	60,564	1.00	0.83	1	4.0%	2,016	3.0%	1,512	7.0%	3,528	53,928	62,381	0.86	1	4.0%	2,157	3.0%	1,618	7.0%	3,775	57,703	64,252	0.90	2								
4.2	ACCOUNT/BUDGET SPEC III	57,480	L	60,564	1.00	0.95	2	2.0%	1,150	5.0%	2,874	7.0%	4,024	61,504	62,381	0.99	2	2.0%	1,230	5.0%	3,075	7.0%	4,305	65,809	64,252	1.02	3								
4.5	ACCOUNTING MANAGER I	62,916	N	73,130	1.00	0.86	1	4.0%	2,517	3.0%	1,887	7.0%	4,404	67,320	75,324	0.89	2	2.0%	1,346	3.0%	2,020	5.0%	3,366	70,886	77,584	0.91	2								
7.0	ACCOUNTING MANAGER I	61,188	N	73,130	1.00	0.84	1	4.0%	2,448	5.0%	3,059	9.0%	5,507	66,695	75,324	0.89	2	2.0%	1,334	5.0%	3,335	7.0%	4,669	71,364	77,584	0.92	2								
15.0	ACCOUNTING MANAGER I	67,368	N	73,130	1.00	0.92	2	2.0%	1,347	3.0%	2,021	5.0%	3,368	70,736	75,324	0.94	2	2.0%	1,415	3.0%	2,122	5.0%	3,537	74,273	77,584	0.96	2								
18.3	ACCOUNTING MANAGER I	73,428	N	73,130	1.00	1.00	3	0.0%	-	5.0%	3,671	5.0%	3,671	77,099	75,324	1.02	3	0.0%	-	5.0%	3,855	5.0%	3,855	80,954	77,584	1.04	3								
28.0	ACCOUNTING MANAGER II	92,700	P	85,799	1.00	1.08	3	0.0%	-	3.0%	2,781	3.0%	2,781	95,481	88,373	1.08	3	0.0%	-	3.0%	2,864	3.0%	2,864	98,345	91,024	1.08	3								
18.8	ASST EXEC BUDGET ANALYST	82,452	N	73,130	1.00	1.13	4	0.0%	-	5.0%	4,123	5.0%	4,123	86,575	75,324	1.15	4	0.0%	-	5.0%	4,329	5.0%	4,329	90,904	77,584	1.17	4								
27.8	ASST EXEC BUDGET ANALYST	82,452	N	73,130	1.00	1.13	4	0.0%	-	3.0%	2,474	3.0%	2,474	84,926	75,324	1.13	4	0.0%	-	3.0%	2,548	3.0%	2,548	87,474	77,584	1.13	4								
2.4	ASST EXEC BUDGET ANALYST	80,484	N	73,130	1.00	1.10	3	0.0%	-	5.0%	4,024	5.0%	4,024	84,508	75,324	1.12	3	0.0%	-	5.0%	4,225	5.0%	4,225	88,733	77,584	1.14	4								
22.0	ASST EXEC BUDGET ANALYST	82,452	N	73,130	1.00	1.13	4	0.0%	-	3.0%	2,474	3.0%	2,474	84,926	75,324	1.13	4	0.0%	-	3.0%	2,548	3.0%	2,548	87,474	77,584	1.13	4								
26.3	ADMIN OFR II	51,024	K	55,414	1.00	0.92	2	2.0%	1,020	5.0%	2,551	7.0%	3,571	54,595	57,076	0.96	2	2.0%	1,092	5.0%	2,730	7.0%	3,822	58,417	58,788	0.99	2								
8.3	ADMIN STAFF OFFICER II	58,980	K	55,414	1.00	1.06	3	0.0%	-	3.0%	1,769	3.0%	1,769	60,749	57,076	1.06	3	0.0%	-	3.0%	1,822	3.0%	1,822	62,571	58,788	1.06	3								
21.1	ADMIN ASSISTANT III	46,956	I	45,938	1.00	1.02	3	0.0%	-	5.0%	2,348	5.0%	2,348	49,304	47,316	1.04	3	0.0%	-	5.0%	2,465	5.0%	2,465	51,769	48,735	1.06	3								
5.5	HUMAN RESOURCE OFFICER I	44,400	K	55,414	1.00	0.80	1	4.0%	1,776	3.0%	1,332	7.0%	3,108	47,508	57,076	0.83	1	4.0%	1,900	3.0%	1,425	7.0%	3,325	50,833	58,788	0.86	1								
6.7	HUMAN RESOURCE OFFICER I	49,200	K	55,414	1.00	0.89	2	2.0%	984	5.0%	2,460	7.0%	3,444	52,644	57,076	0.92	2	2.0%	1,053	5.0%	2,632	7.0%	3,685	56,329	58,768	0.96	2								
	HUMAN RESOURCE OFFICER I	51,600	K	55,414	1.00	0.93	2	2.0%	1,032	3.0%	1,548	5.0%	2,560	54,180	57,076	0.95	2	2.0%	1,064	3.0%	1,625	5.0%	2,709	56,889	58,788	0.97	2								
14.5	HUMAN RESOURCE OFFICER II	69,528	M	66,332	1.00	1.05	3	0.0%	-	5.0%	3,476	5.0%	3,476	73,004	68,322	1.07	3	0.0%	-	5.0%	3,650	5.0%	3,650	76,654	70,372	1.09	3								
10.3	HUMAN RESOURCE OFFICER II	67,224	M	66,332	1.00	1.01	3	0.0%	-	3.0%	2,017	3.0%	2,017	69,241	68,322	1.01	3	0.0%	-	3.0%	2,077	3.0%	2,077	71,318	70,372	1.01	3								
37.7	CLASS & COMP MGR	84,756	O	80,855	1.00	1.05	3	0.0%	-	5.0%	4,238	5.0%	4,238	88,994	83,281	1.07	3	0.0%	-	5.0%	4,450	5.0%	4,450	93,444	85,779	1.09	3								
5.2	TRAINING OFFICER II	56,556	L	60,564	1.00	0.93	2	2.0%	1,131	3.0%	1,697	5.0%	2,828	59,384	62,381	0.95	2	2.0%	1,188	3.0%	1,782	5.0%	2,970	62,354	64,252	0.97	2								
0.2	BUSINESS ANALYST I	45,420	L	60,564	1.00	0.75	1	4.0%	1,817	5.0%	2,271	9.0%	4,088	49,508	62,381	0.79	1	4.0%	1,980	5.0%	2,475	9.0%	4,455	53,963	64,252	0.84	1								
4.3	BUSINESS ANALYST II	68,016	N	73,130	1.00	0.93	2	2.0%	1,360	3.0%	2,040	5.0%	3,400	71,416	75,324	0.95	2	2.0%	1,428	3.0%	2,142	5.0%	3,570	74,986	77,584	0.97	2								
24.6	ADMIN ASSISTANT I	33,756	F	34,505	1.00	0.98	2	2.0%	675	5.0%	1,688	7.0%	2,363	36,119	35,540	1.02	3	0.0%	-	5.0%	1,806	5.0%	1,806	37,925	36,606	1.04	3								
0.7	ADMIN ASSISTANT II	31,212	H	41,612	1.00	0.75	1	4.0%	1,248	3.0%	936	7.0%	2,184	33,396	42,860	0.78	1	4.0%	1,336	3.0%	1,002	7.0%	2,338	35,734	44,146	0.81	1								
9.8	ADMIN ASSISTANT III	34,452	I	45,938	1.00	0.75	1	4.0%	1,378	5.0%	1,723	9.0%	3,101	37,553	47,316	0.79	1	4.0%	1,502	5.0%	1,878	9.0%	3,380	40,933	48,735	0.84	1								
7.0	ADMIN ASSISTANT III	34,452	I	45,938	1.00	0.75	1	4.0%	1,378	3.0%	1,034	7.0%	2,412	36,864	47,316	0.78	1	4.0%	1,475	3.0%	1,106	7.0%	2,581	39,445	48,735	0.81	1								
1.2	ADMIN ASSISTANT III	34,452	I	45,938	1.00	0.75	1	4.0%	1,378	5.0%	1,723	9.0%	3,101	37,553	47,316	0.79	1	4.0%	1,502	5.0%	1,878	9.0%	3,380	40,933	48,735	0.84	1								
29.6	BUSINESS MANAGER I	60,312	L	60,564	1.00	1.00	3	0.0%	-	3.0%	1,809	3.0%	1,809	62,121	62,381	1.00	3	0.0%	-	3.0%	1,864	3.0%	1,864	63,985	64,252	1.00	3								
14.4	STATE PROCUREMENT OFFICER II	59,340	L	60,564	1.00	0.98	2	2.0%	1,187	5.0%	2,967	7.0%	4,154	63,494	62,381	1.02	3	0.0%	-	5.0%	3,175	5.0%	3,175	66,669	84,252	0	3								
4.9	STATE PROCUREMENT OFFICER II	49,488	L	60,564	1.00	0.82	1	4.0%	1,980	3.0%	1,485	7.0%	3,465	52,953	62,381	0.85	1	4.0%	2,118	3.0%	1,589	7.0%	3,707	56,660	64,252	0.88	2								

*ALL increases contingent upon Performance Meeting Standards										2013										2014									
CURRENT										Market Policy Position Increase		Performance Increase		Total Increase		After July 1, 2013				Market Policy Position Increase		Performance Increase		Total Increase		After July 1, 2014			
Yrs Svc	Job Title	FTE Ann Sal	Grade	Market Policy Point	FTE	C/R (Current)	2012 C/R	%	\$	%	\$	%	\$	2013 New Salary	New MPP (3% range increment)	2013 New C/R	2013 C/R	%	\$	%	\$	%	\$	2014 New Salary	New MPP (3% range increment)	2014 New C/R	2014 C/R		
8.7	STATE PROCUREMENT OFFICER II	54,744	L	60,564	1.00	0.90	2	2.0%	1,095	5.0%	2,737	7.0%	3,832	58,576	62,381	0.94	2	2.0%	1,172	5.0%	2,929	7.0%	4,101	62,677	64,252	0.98	2		
3.3	STATE PROCUREMENT OFFICER II	50,868	L	60,564	1.00	0.84	1	4.0%	2,035	3.0%	1,526	7.0%	3,561	54,429	62,381	0.87	1	4.0%	2,177	3.0%	1,633	7.0%	3,810	58,239	64,252	0.91	2		
1.3	STATE PROCUREMENT OFFICER II	49,488	L	60,564	1.00	0.82	1	4.0%	1,980	5.0%	2,474	9.0%	4,454	53,942	62,381	0.86	1	4.0%	2,158	5.0%	2,697	9.0%	4,855	58,797	64,252	0.92	2		
2.8	PUBLIC INFO SPEC II	41,568	K	55,414	1.00	0.75	1	4.0%	1,663	3.0%	1,247	7.0%	2,910	44,478	57,076	0.78	1	4.0%	1,779	3.0%	1,334	7.0%	3,113	47,591	58,788	0.81	1		
16.1	ADMIN OFR II	44,244	K	55,414	1.00	0.80	1	4.0%	1,770	5.0%	2,212	9.0%	3,982	48,226	57,076	0.84	1	4.0%	1,929	5.0%	2,411	9.0%	4,340	52,566	58,788	0.89	2		
17.1	DIR, CENTRAL SVCS DIV	81,912	P	85,799	1.00	0.95	2	2.0%	1,638	3.0%	2,457	5.0%	4,095	86,007	88,373	0.97	2	2.0%	1,720	3.0%	2,580	5.0%	4,300	90,307	91,024	0.99	2		
36.0	ADMIN STAFF OFFICER II	52,932	K	55,414	1.00	0.96	2	2.0%	1,059	5.0%	2,647	7.0%	3,706	56,638	57,076	0.99	2	2.0%	1,133	5.0%	2,832	7.0%	3,965	60,603	58,788	1.03	3		
16.2	SURPLUS PROPERTY MANAGER	52,236	J	50,985	1.00	1.02	3	0.0%	-	3.0%	1,567	3.0%	1,567	53,803	52,515	1.02	3	0.0%	-	3.0%	1,614	3.0%	1,614	55,417	54,090	1.02	3		
8.2	SURPLUS PROPERTY SPEC I	31,212	H	41,612	1.00	0.75	1	4.0%	1,248	5.0%	1,561	9.0%	2,809	34,021	42,860	0.79	1	4.0%	1,361	5.0%	1,701	9.0%	3,062	37,083	44,146	0.84	1		
5.7	SURPLUS PROPERTY SPEC I	31,212	H	41,612	1.00	0.75	1	4.0%	1,248	3.0%	936	7.0%	2,184	33,396	42,860	0.78	1	4.0%	1,336	3.0%	1,002	7.0%	2,338	35,734	44,146	0.81	1		
34.4	PRINTING EQUIP OP I	29,616	C	26,986	1.00	1.10	3	0.0%	-	5.0%	1,481	5.0%	1,481	31,097	27,796	1.12	3	0.0%	-	5.0%	1,555	5.0%	1,555	32,652	28,630	1.14	4		
8.8	PRINTING EQUIP OP II	26,424	E	31,724	1.00	0.83	1	4.0%	1,057	3.0%	793	7.0%	1,850	28,274	32,676	0.87	1	4.0%	1,131	3.0%	848	7.0%	1,979	30,253	33,656	0.90	2		
39.5	PRINTING EQUIP OP III	43,848	G	37,801	1.00	1.16	4	0.0%	-	5.0%	2,192	5.0%	2,192	46,404	38,935	1.18	4	0.0%	-	5.0%	2,302	5.0%	2,302	48,342	40,103	1.21	4		
25.2	PRINTING EQUIP OP III	37,560	G	37,801	1.00	0.99	2	2.0%	751	3.0%	1,127	5.0%	1,878	39,438	38,935	1.01	3	0.0%	-	3.0%	1,183	3.0%	1,183	40,621	40,103	1.01	3		
27.4	PRINTING EQUIP OP III	35,184	G	37,801	1.00	0.93	2	2.0%	704	5.0%	1,759	7.0%	2,463	37,647	38,935	0.97	2	2.0%	753	5.0%	1,882	7.0%	2,635	40,282	40,103	1.00	3		
9.8	PRINTING EQUIP OP III	30,036	G	37,801	1.00	0.79	1	4.0%	1,201	3.0%	901	7.0%	2,102	32,138	38,935	0.83	1	4.0%	1,286	3.0%	964	7.0%	2,250	34,388	40,103	0.86	1		
15.1	PRINTING EQUIP OP III	33,468	G	37,801	1.00	0.89	2	2.0%	669	5.0%	1,673	7.0%	2,342	35,810	38,935	0.92	2	2.0%	716	5.0%	1,791	7.0%	2,507	38,317	40,103	0.96	2		
12.8	GRAPHIC ARTIST I	38,232	G	37,801	1.00	1.01	3	0.0%	-	3.0%	1,147	3.0%	1,147	39,379	38,935	1.01	3	0.0%	-	3.0%	1,181	3.0%	1,181	40,560	40,103	1.01	3		
1.7	STATE PRINTING MANAGER	47,888	L	60,564	1.00	0.79	1	4.0%	1,908	5.0%	2,384	9.0%	4,292	51,980	62,381	0.83	1	4.0%	2,079	5.0%	2,599	9.0%	4,678	56,658	64,252	0.88	2		
5.3	OFFICE ASSISTANT II	24,273	ID	29,046	0.50	0.84	1	4.0%	971	3.0%	728	7.0%	1,699	25,972	29,917	0.87	1	4.0%	1,039	3.0%	779	7.0%	1,818	27,790	30,815	0.90	2		
3.8	OFFICE ASSISTANT II	24,273	ID	29,046	0.50	0.84	1	4.0%	971	5.0%	1,214	9.0%	2,185	26,458	29,917	0.88	2	2.0%	529	5.0%	1,323	7.0%	1,852	28,310	30,815	0.92	2		
3.8	OFFICE ASSISTANT II	24,273	ID	29,046	0.50	0.84	1	4.0%	971	3.0%	728	7.0%	1,699	25,972	29,917	0.87	1	4.0%	1,039	3.0%	779	7.0%	1,818	27,790	30,815	0.90	2		
7.3	OFFICE ASSISTANT II	24,288	ID	29,046	0.50	0.84	1	4.0%	972	5.0%	1,214	9.0%	2,186	26,474	29,917	0.88	2	2.0%	529	5.0%	1,324	7.0%	1,853	28,327	30,815	0.92	2		
20.8	ADMIN ASSISTANT II	37,428	H	41,612	1.00	0.90	2	2.0%	749	3.0%	1,123	5.0%	1,872	39,300	42,880	0.92	2	2.0%	786	3.0%	1,179	5.0%	1,965	41,265	44,146	0.93	2		
2.4	ACCOUNT/BUDGET SPEC I	42,015	J	50,985	0.50	0.82	1	4.0%	1,681	5.0%	2,101	9.0%	3,782	45,797	52,515	0.87	1	4.0%	1,832	5.0%	2,290	9.0%	4,122	49,919	54,090	0.92	2		
24.8	GOVERNOR'S RESIDENCE MGR	53,952	K	55,414	1.00	0.97	2	2.0%	1,079	3.0%	1,619	5.0%	2,698	56,650	57,076	0.99	2	2.0%	1,133	3.0%	1,700	5.0%	2,833	59,483	58,788	1.01	3		
29.5	ADMIN OFR I	48,372	I	45,938	1.00	1.05	3	0.0%	-	5.0%	2,419	5.0%	2,419	50,791	47,316	1.07	3	0.0%	-	5.0%	2,540	5.0%	2,540	53,331	48,735	1.09	3		
7.1	CAP CMLX CONST & MTC PROJ MGR	60,540	M	66,332	1.00	0.91	2	2.0%	1,211	3.0%	1,816	5.0%	3,027	63,567	68,322	0.93	2	2.0%	1,271	3.0%	1,907	5.0%	3,178	66,745	70,372	0.95	2		
10.2	DIR, FACILITIES MGMT DIV	93,048	P	85,799	1.00	1.08	3	0.0%	-	5.0%	4,652	5.0%	4,652	97,700	88,373	1.11	3	0.0%	-	5.0%	4,885	5.0%	4,885	102,585	91,024	1.13	4		
20.4	CAPITOL COMPLEX PHYS PLNT MGR	63,768	N	73,130	1.00	0.87	1	4.0%	2,551	3.0%	1,913	7.0%	4,464	68,232	75,324	0.91	2	2.0%	1,365	3.0%	2,047	5.0%	3,412	71,644	77,584	0.92	2		
14.2	FACILITY CONSTRUCTION ENG	80,424	O	80,855	1.00	0.99	2	2.0%	1,608	5.0%	4,021	7.0%	5,629	86,053	83,281	1.03	3	0.0%	-	5.0%	4,303	5.0%	4,303	90,356	85,779	1.05	3		
11.5	HOUSEKEEPER-GOV'S RES	26,304	D	29,046	1.00	0.91	2	2.0%	526	3.0%	789	5.0%	1,315	27,619	29,917	0.92	2	2.0%	552	3.0%	829	5.0%	1,381	29,000	30,815	0.94	2		
8.6	CUSTODIAN	23,328	C	26,986	1.00	0.86	1	4.0%	933	5.0%	1,166	9.0%	2,099	25,427	27,796	0.91	2	2.0%	509	5.0%	1,271	7.0%	1,780	27,207	28,630	0.95	2		
2.2	CUSTODIAN	20,244	C	26,986	1.00	0.75	1	4.0%	810	3.0%	607	7.0%	1,417	21,661	27,796	0.78	1	4.0%	866	3.0%	650	7.0%	1,516	23,177	28,630	0.81	1		
18.8	CUSTODIAN	21,300	C	26,986	1.00	0.79	1	4.0%	852	5.0%	1,065	9.0%	1,917	23,217	27,796	0.84	1	4.0%	929	5.0%	1,161	9.0%	2,090	25,307	28,630	0.88	2		
16.4	CUSTODIAN	24,888	C	26,986	1.00	0.92	2	2.0%	498	3.0%	747	5.0%	1,245	26,133	27,796	0.94	2	2.0%	523	3.0%	784	5.0%	1,307	27,440	28,630	0.96	2		
14.0	CUSTODIAN	25,392	C	26,986	1.00	0.94	2	2.0%	508	5.0%	1,270	7.0%	1,778	27,170	27,796	0.98	2	2.0%	543	5.0%	1,359	7.0%	1,902	29,072	28,630	1.02	3		
0.7	CUSTODIAN	20,244	C	26,986	1.00	0.75	1	4.0%	810	3.0%	607	7.0%	1,417	21,661	27,796	0.78	1	4.0%	866	3.0%	650	7.0%	1,516	23,177	28,630	0.81	1		
3.4	CUSTODIAN	20,676	C	26,986	1.00	0.77	1	4.0%	827	5.0%	1,034	9.0%	1,861	22,537	27,796	0.81	1	4.0%	901	5.0%	1,127	9.0%	2,028	24,565	28,630	0.86	1		
11.1	CUSTODIAN	24,600	C	26,986	1.00	0.91	2	2.0%	492	3.0%	738	5.0%	1,230	25,830	27,796	0.93	2	2.0%	517	3.0%	775	5.0%	1,292	27,122	28,630	0.95	2		
2.2	CUSTODIAN	20,244	C	26,986	1.00	0.75	1	4.0%	810	5.0%	1,012	9.0%	1,822	22,066	27,796	0.79	1	4.0%	883	5.0%	1,103	9.0%	1,986	24,052	28,630	0.84	1		
4.4	CUSTODIAN	21,552	C	26,986	1.00	0.80	1	4.0%	862	3.0%	647	7.0%	1,509	23,061	27,796	0.83	1	4.0%	922	3.0%	692	7.0%	1,614	24,675	28,630	0.86	1		
17.4	CUSTODIAN	25,176	C	26,986	1.00	0.93	2	2.0%	504	5.0%	1,259	7.0%	1,763	26,939	27,796	0.97	2	2.0%	539	5.0%	1,347	7.0%	1,886	28,825	28,630	1.01	3		
13.4	CUSTODIAN	23,688	C	26,986	1.00	0.88	2	2.0%	474	3.0%	711	5.0%	1,185	24,873	27,796	0.89	2	2.0%	497	3.0%	746	5.0%	1,243	26,116	28,630	0.91	2		
5.2	CUSTODIAN	21,552	C	26,986	1.00	0.80	1	4.0%	862	5.0%	1,078	9.0%	1,940	23,492	27,796	0.85	1	4.0%	940	5.0%	1,175	9.0%	2,115	25,607	28,630	0.89	2		

* ALL increases contingent upon Performance Meeting Standards										2013										2014									
CURRENT										Market Policy Position Increase		Performance Increase		Total Increase		After July 1, 2013				Market Policy Position Increase		Performance Increase		Total Increase		After July 1, 2014			
Yrs Svc	Job Title	FTE Ann. Sal	Grade	Market Policy Point	C/R (Current)	2012 Qtr	%	\$	%	\$	%	\$	2013 New Salary	NewMPP (3% range increment)	2013 New C/R	2013 Qtr	%	\$	%	\$	%	\$	2014 New Salary	NewMPP (3% range increment)	2014 New C/R	2014 Qtr			
20.3	CUSTODIAN	27,708	C	26,986	1.00	1.03	3	0.0%	-	3.0%	831	3.0%	831	28,539	27,796	1.03	3	0.0%	-	3.0%	856	3.0%	856	29,395	28,630	1.03	3		
0.5	CUSTODIAN	20,244	C	26,986	1.00	0.75	1	4.0%	810	5.0%	1,012	9.0%	1,822	22,066	27,796	0.79	1	4.0%	883	5.0%	1,103	9.0%	1,986	24,052	28,630	0.84	1		
0.3	CUSTODIAN	20,244	C	26,986	1.00	0.75	1	4.0%	810	3.0%	607	7.0%	1,417	21,661	27,796	0.78	1	4.0%	866	3.0%	650	7.0%	1,516	23,177	28,630	0.81	1		
1.3	CUSTODIAN	20,244	C	26,986	1.00	0.75	1	4.0%	810	5.0%	1,012	9.0%	1,822	22,066	27,796	0.79	1	4.0%	883	5.0%	1,103	9.0%	1,986	24,052	28,630	0.84	1		
2.3	CUSTODIAN	20,244	C	26,986	1.00	0.75	1	4.0%	810	3.0%	607	7.0%	1,417	21,661	27,796	0.78	1	4.0%	866	3.0%	650	7.0%	1,516	23,177	28,630	0.81	1		
7.2	CUSTODIAN	22,248	C	26,986	1.00	0.82	1	4.0%	890	5.0%	1,112	9.0%	2,002	24,250	27,796	0.87	1	4.0%	970	5.0%	1,213	9.0%	2,183	26,433	28,630	0.92	2		
18.8	CUSTODIAN	25,500	C	26,986	1.00	0.94	2	2.0%	510	3.0%	765	5.0%	1,275	26,775	27,796	0.96	2	2.0%	536	3.0%	803	5.0%	1,339	28,114	28,630	0.98	2		
17.3	CUSTODIAN	25,128	C	26,986	1.00	0.93	2	2.0%	503	5.0%	1,256	7.0%	1,759	26,887	27,796	0.97	2	2.0%	538	5.0%	1,344	7.0%	1,882	28,769	28,630	1.00	3		
12.2	CUSTODIAN	23,328	C	26,986	1.00	0.86	1	4.0%	933	3.0%	700	7.0%	1,633	24,961	27,796	0.90	2	2.0%	499	3.0%	749	5.0%	1,248	26,209	28,630	0.92	2		
2.6	CUSTODIAN	22,200	C	26,986	1.00	0.82	1	4.0%	888	5.0%	1,110	9.0%	1,998	24,198	27,796	0.87	1	4.0%	968	5.0%	1,210	9.0%	2,178	26,376	28,630	0.92	2		
9.3	CUSTODIAN	23,964	C	26,986	1.00	0.89	2	2.0%	479	3.0%	719	5.0%	1,198	25,162	27,796	0.91	2	2.0%	503	3.0%	755	5.0%	1,258	26,420	28,630	0.92	2		
17.3	CUSTODIAN	25,620	C	26,986	1.00	0.95	2	2.0%	512	5.0%	1,281	7.0%	1,793	27,413	27,796	0.99	2	2.0%	548	5.0%	1,371	7.0%	1,919	29,332	28,630	1.02	3		
7.3	CUSTODIAN	22,248	C	26,986	0.50	0.82	1	4.0%	890	3.0%	667	7.0%	1,557	23,805	27,796	0.86	1	4.0%	952	3.0%	714	7.0%	1,666	25,471	28,630	0.89	2		
12.0	CUSTODIAN	23,328	C	26,986	1.00	0.86	1	4.0%	933	5.0%	1,166	9.0%	2,099	25,427	27,796	0.91	2	2.0%	509	5.0%	1,271	7.0%	1,780	27,207	28,630	0.95	2		
8.8	CUSTODIAN	23,328	C	26,986	1.00	0.86	1	4.0%	933	3.0%	700	7.0%	1,633	24,961	27,796	0.90	2	2.0%	499	3.0%	749	5.0%	1,248	26,209	28,630	0.92	2		
6.4	CUSTODIAL SUPERVISOR I	25,872	F	34,505	1.00	0.75	1	4.0%	1,035	5.0%	1,294	9.0%	2,329	28,201	35,540	0.79	1	4.0%	1,128	3.0%	846	7.0%	1,974	30,175	36,606	0.82	1		
20.5	CUSTODIAL SUPERVISOR II	40,608	H	41,612	1.00	0.98	2	2.0%	812	3.0%	1,218	5.0%	2,030	42,638	42,860	0.99	2	2.0%	853	3.0%	1,279	5.0%	2,132	44,770	44,146	1.01	3		
21.8	COOK II	32,292	E	31,724	1.00	1.02	3	0.0%	-	5.0%	1,615	5.0%	1,615	33,907	32,676	1.04	3	0.0%	-	5.0%	1,695	5.0%	1,695	35,602	33,656	1.06	3		
17.6	MAINTENANCE WORKER I	27,960	E	31,724	1.00	0.88	2	2.0%	559	3.0%	839	5.0%	1,398	29,358	32,676	0.90	2	2.0%	587	3.0%	881	5.0%	1,468	30,826	33,656	0.92	2		
18.4	MAINTENANCE WORKER I	28,140	E	31,724	1.00	0.89	2	2.0%	563	5.0%	1,407	7.0%	1,970	30,110	32,676	0.92	2	2.0%	602	5.0%	1,506	7.0%	2,106	32,218	33,656	0.96	2		
14.2	MAINTENANCE WORKER I	29,268	E	31,724	1.00	0.92	2	2.0%	585	3.0%	878	5.0%	1,463	30,731	32,676	0.94	2	2.0%	615	3.0%	922	5.0%	1,537	32,268	33,656	0.96	2		
1.9	MAINTENANCE WORKER I	29,484	E	31,724	1.00	0.93	2	2.0%	590	5.0%	1,474	7.0%	2,064	31,548	32,676	0.97	2	2.0%	631	5.0%	1,577	7.0%	2,208	33,756	33,656	1.00	3		
0.4	MAINTENANCE WORKER II	28,500	G	37,801	1.00	0.75	1	4.0%	1,140	3.0%	855	7.0%	1,995	30,495	38,935	0.78	1	4.0%	1,220	3.0%	915	7.0%	2,135	32,630	40,103	0.81	1		
5.9	MAINTENANCE WORKER II	30,144	G	37,801	1.00	0.80	1	4.0%	1,206	5.0%	1,507	9.0%	2,713	32,857	38,935	0.84	1	4.0%	1,314	5.0%	1,643	9.0%	2,957	35,814	40,103	0.89	2		
37.3	MAINTENANCE SUPV II	46,656	K	55,414	1.00	0.84	1	4.0%	1,866	3.0%	1,400	7.0%	3,266	49,922	57,076	0.87	1	4.0%	1,997	3.0%	1,498	7.0%	3,495	53,417	58,788	0.91	2		
16.3	MAINTENANCE SUPV II	41,568	K	55,414	1.00	0.75	1	4.0%	1,663	5.0%	2,078	9.0%	3,741	45,309	57,076	0.79	1	4.0%	1,812	5.0%	2,265	9.0%	4,077	49,386	58,788	0.84	1		
11.3	GEN TRADES MAINT WKR I	32,796	H	41,612	1.00	0.79	1	4.0%	1,312	3.0%	984	7.0%	2,296	35,092	42,860	0.82	1	4.0%	1,404	3.0%	1,053	7.0%	2,457	37,549	44,146	0.85	1		
9.8	GEN TRADES MAINT WKR II	40,212	I	45,938	1.00	0.88	2	2.0%	804	5.0%	2,011	7.0%	2,815	43,027	47,316	0.91	2	2.0%	861	5.0%	2,151	7.0%	3,012	46,039	48,735	0.94	2		
11.4	PAINTER III	41,124	I	45,938	1.00	0.90	2	2.0%	822	3.0%	1,234	5.0%	2,056	43,180	47,316	0.91	2	2.0%	864	3.0%	1,295	5.0%	2,159	45,339	48,735	0.93	2		
19.3	CARPENTER II	42,108	H	41,612	1.00	1.01	3	0.0%	-	5.0%	2,105	5.0%	2,105	44,213	42,860	1.03	3	0.0%	-	5.0%	2,211	5.0%	2,211	46,424	44,146	1.05	3		
1.8	PLUMBER II	46,788	I	45,938	1.00	1.02	3	0.0%	-	3.0%	1,404	3.0%	1,404	48,192	47,316	1.02	3	0.0%	-	3.0%	1,446	3.0%	1,446	49,638	48,735	1.02	3		
24.9	ELECTRICIAN III	59,508	K	55,414	1.00	1.07	3	0.0%	-	5.0%	2,975	5.0%	2,975	62,483	57,076	1.09	3	0.0%	-	5.0%	3,124	5.0%	3,124	65,607	58,788	1.12	3		
21.1	SYSTEMS MECHANIC I	39,132	G	37,801	1.00	1.04	3	0.0%	-	3.0%	1,174	3.0%	1,174	40,306	38,935	1.04	3	0.0%	-	3.0%	1,269	3.0%	1,269	41,515	40,103	1.04	3		
15.2	SYSTEMS MECHANIC II	50,520	I	45,938	1.00	1.10	3	0.0%	-	5.0%	2,526	5.0%	2,526	53,046	47,316	1.12	3	0.0%	-	5.0%	2,662	5.0%	2,662	55,698	48,735	1.14	4		
31.1	SYSTEMS MECHANIC III	54,936	J	50,985	1.00	1.08	3	0.0%	-	3.0%	1,648	3.0%	1,648	56,584	52,515	1.08	3	0.0%	-	3.0%	1,698	3.0%	1,698	58,282	54,090	1.08	3		
14.6	RISK MGMT CLAIMS ADMINISTRATOR	60,866	M	66,332	1.00	0.92	2	2.0%	1,217	5.0%	3,043	7.0%	4,260	65,126	68,322	0.95	2	2.0%	1,303	5.0%	3,255	7.0%	4,559	69,665	70,372	0.99	2		
21.7	MGR, RISK MGMT/WC PRGM	65,693	M	66,332	1.00	0.99	2	2.0%	1,314	3.0%	1,971	5.0%	3,285	68,978	68,322	1.01	3	0.0%	-	3.0%	2,069	3.0%	2,069	71,047	70,372	1.01	3		
15.0	LOSS CONTROL ANALYST	53,148	L	60,564	1.00	0.88	2	2.0%	1,063	5.0%	2,657	7.0%	3,720	56,868	62,381	0.91	2	2.0%	1,137	5.0%	2,843	7.0%	3,980	60,848	64,252	0.95	2		
12.9		5,216,185				0.90		2.3%	103,192	4.0%	208,682	6.3%	311,874			0.93		2.1%	96,727	4.0%	221,081	6.1%	317,808			0.96			

HB 1015
January 28, 2013
Attachment 3





January 28, 2013

Prairie Public Broadcasting has served the citizens of North Dakota for more than forty-seven years with quality media services that educate, involve and inspire. Since its inception, Prairie Public has been a public/private partnership relying on support from local, state and federal sources.

Attached is a list of projects for which Prairie Public is seeking funding assistance. While these are not the total needs for Prairie Public, these are projects that require attention. The projects total \$4,555,000.

In the 2011-2013 biennium, Prairie Public appropriation was reduced - from \$1,337,138 to \$1,000,000. Additionally, \$500,000 in capital dollars that the Senate Appropriations Committee recommended was not funded. While Prairie Public has made great strides to maintain industry standards, the organization infrastructure still has significant needs.

The Governor's budget for this biennial session reinstates \$337,138 to our operating appropriation and recommends \$700,000 for one time only funding.

Prairie Public will continue to seek matching grants to assist with the funding where possible. If grant opportunities are unsuccessful, we will prioritize and complete projects with the funding available.

Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "John E. Harris III".

John E. Harris III
President & CEO

Prairie Public Capital Funding Estimated Costs

Category	Item	Projects	Est. Costs	Totals
Equipment	1.)	Fargo Studio Lighting & Audio Equipment Package	350,000	
	2.)	Bismarck Studio Cameras and Lighting Package	550,000	
	3.)	Television Network MPEG HD Encoder Package	200,000	
	4.)	HD Production/Editing Equipment Package	300,000	
	5.)	Studio Satellite Dish and Uplink Amplifier Replacement	125,000	
	6.)	Radio Network Audio Processing Package	230,000	
				1,755,000
Transmitters	7.)	KSRE (Minot) Analog Antenna/Line Removal	125,000	
	8.)	KBME (Bismarck) Analog Antenna/Combiner Removal & New LED Tower Lights	150,000	
	9.)	KFME (Fargo) UHF Antenna/Combiner Removal	125,000	
	10.)	KDSE, KBME, KSRE, KFME TX Building Ventilation Systems	300,000	
	11.)	Flood Protection Ring Dike (Ardoch, ND Site)	100,000	
				800,000
Facilities	12.)	Fargo Studio Window Replacement (North and South Sides)	200,000	
	13.)	Fargo Studio Mechanical, Elevator, Lighting and Fire Alarm Equipment	500,000	
				700,000
Network	14.)	Microwave Shelter Replacements - 22 sites.	550,000	
	15.)	Microwave Interconnection Transport IP Upgrade	750,000	
				1,300,000
Total				4,555,000

**North Dakota 2013-2015 Biennium
Capital Equipment Project Summaries
Prairie Public Broadcasting, Inc.**

- 1.) Equipment necessary to replace the studio lighting system at the Fargo facility. The existing lighting system is over 25 years old and was not designed for high definition camera operation. This energy efficient system would utilize the latest in LED lighting technology.

The proposed audio equipment includes a digital mixer, intercom and monitoring system associated with the Fargo studio to replace the existing analog equipment.

- 2.) Equipment for television studio conversion to digital and allow high definition (HD) productions at the Bismarck studio facilities.

Requested equipment includes HD studio cameras, studio lighting package, production switcher, monitors and conversion equipment to replace obsolete analog studio production equipment currently used at the Bismarck studio.

- 3.) High definition encoding equipment used in the Bismarck and Fargo studios that would replace old and obsolete encoders that are no longer supported by the manufacturer and lack important features now available in new products. Failure of the existing encoders would prevent programming distribution across the statewide network.
- 4.) The digital production equipment includes high definition field cameras, lighting, microphones and editing equipment to enhance Prairie Public's ability to capture and produce local content throughout the region.
- 5.) Prairie Public receives many of its education programs through a steer-able C-Band satellite dish mounted on the roof of the Fargo Civic Center located near the downtown studio facility. The existing 3.8 meter satellite dish is no longer dependable, with its fiberglass construction becoming delaminated, thus requiring replacement. In addition, the tube type amplifiers used as part of Prairie Public's satellite uplinking system are in need of replacement. Parts for the existing amplifiers are no longer available. The uplink amplifiers would be replaced with the solid-state type currently available.
- 6.) FM audio processing equipment associated with the 10 radio transmitters in Prairie Public's statewide radio network. This equipment would provide consistent and improved sound quality on both its main and HD digital channels for all its FM stations.
- 7.) Prairie Public is concerned about the overall structural integrity of the broadcast tower that supports the KSRE digital antenna serving Minot and the surrounding

area. The KSRE digital antenna and transmission line were side-mounted on an existing 1031' tower that was not designed for this additional loading. To restore the tower's structural loading and safety margins, funding is requested to remove the decommissioned analog antenna and associated transmission line as part of the final digital conversion cost for this station. Removal is estimated to significantly decrease wind loading and would eliminate 11,350 pounds of dead weight.

- 8.) Prairie Public is concerned about the overall structural integrity of the broadcast tower that supports the KBME digital antenna that serves Bismarck and the surrounding area. The KBME digital antenna and transmission line were side-mounted on an existing 1088' tower that was not designed for this additional loading. To restore the tower's structural loading and safety margins, funding is requested to remove the decommissioned analog antenna and associated transmission line combiners as part of the final digital conversion cost for this station. Removal is estimated to significantly decrease wind loading and would eliminate 11,250 pounds of dead weight. A new LED tower lighting system would be installed per FAA specifications.
- 9.) Prairie Public is concerned about the overall structural integrity of the broadcast tower that supports the KFME digital antenna that serves Fargo and the surrounding area. The KFME UHF digital antenna and transmission line combiner were side-mounted on an existing 1178' tower that was not designed for this additional loading. To restore the tower's structural loading and safety margins, funding is requested to remove the decommissioned UHF antenna and associated transmission line combiners as part of the final digital conversion cost for this station.
- 10.) For reliable and long-term operation of the KDSE, KBME, KSRE, KFME and KJRE transmitters, proper cooling of the equipment is vital. Not only does proper cooling extend equipment life, but it also reduces off-air outages and service calls. Prairie Public is requesting funding to improve the mechanical air handling capabilities of referenced transmitter buildings.
- 11.) Prairie Public's KUND-FM radio and microwave tower located north of Grand Forks has been within inches of springtime flooding multiple times. Project funding would allow for the construction of a ring dike around the transmitter and electrical generator buildings to protect this site from any potential future flood damage.
- 12.) The proposed window replacement project will significantly improve the overall appearance of our downtown Fargo studio building. The proposed windows in need of replacement are original to the building constructed in 1954. The metal frames have severe corrosion and the window seals have deteriorated beyond repair. The existing windows are not energy efficient by today's standards and do not meet the current fire code requirements. The new windows will be fire rated,

energy efficient and will minimize air infiltration, thus reducing the amount of unfiltered air entering our building. This will positively impact the environmental climate within our technical facility.

13.) Prairie Public's Fargo studio building was built in the early 1950s and significant improvements have been made to the building since we moved into the facility over 25 years ago. Unfortunately, many of the building components are original and are long overdue for replacement. Funding is requested for the following items:

- Replace the original asbestos insulated and corroded steam piping and registers used throughout the building as part of the main heating system.
- Replace the original building fire alarm system that is outdated and no longer serviceable.
- Replace the roof mounted HVAC mechanical unit used to heat and cool the 4th floor office areas.
- Replace the original main passenger and freight elevator controls and hydraulic rams used in the building.
- Update and replace the original office and hallway ceiling lights for greatly improved energy efficiency.

14.) Proposed cost of replacing all 22 microwave repeater shelters in the state network. The original 8' X 12' equipment shelters have moisture problems, resulting in the decay of the structural wall and ceiling members. Moisture also has resulted in the buildup of mold in the stud and ceiling joist cavities.

15.) Proposed cost to upgrade our microwave distribution system from the Asynchronous Transfer Mode (ATM) format to an Internet Protocol (IP) format that would eliminate the old ATM equipment that is obsolete and no longer supported by manufacturers. All broadcast network equipment is now IP based, allowing us to easily interface with the upgraded microwave system. The FCC has also changed its "final link" rule, allowing us to increase the microwave radio capacity to our remote transmitter sites that will greatly benefit our transmitter remote control systems and transmitter site network speeds.



2011 Annual Report



Prairie Public Broadcasting, Inc.

(Fiscal Year 2011 began October 1, 2010, and ended September 30, 2011.)



Prairie Public Broadcasting
provides quality radio,
television, and public media
services that educate,
involve, and inspire the
people of the prairie region.

Prairie Public Broadcasting is a trusted public media service dedicated to building an exciting and productive future for our region and its people by offering a window on the world and creating a forum for discussion of important issues.

When you support Prairie Public, your contribution goes to work to make great television and radio programs happen. It works to secure the very best of PBS and NPR programming, along with high-quality, original productions created to meet your interests and needs.

Individual and community support is a crucial part of Prairie Public's success, and this annual report celebrates our dedicated partners and contributors.



PBS

Prairie Public is a member of the Public Broadcasting Service, a private, nonprofit corporation that provides quality television programming and related services.



Prairie Public is a member of NPR, a privately supported, nonprofit membership organization that serves its audience in partnership with independently operated, noncommercial public radio stations.

On The Cover: Celebrating 30 years of radio service with a ribbon cutting ceremony outside the Bismarck studio; radio music hosts Ted Quanrud and Scott Prebys in the Bismarck studio's music library; videographer Ben Stommes in the Fargo television studio; Prairie Public board member Rich Becker and his wife, Joanne; videographer Frode Tilden on assignment; ND Secretary of State Al Jaeger and radio news reporter Todd McDonald at radio's 30-year celebration; Cat in the Hat greeting children at Share A Story; staffers Rachal Thompson and Morgan Jenkins.

*PAGE 4: Taping **Prairie Musicians**; the **Salt of the Earth** premiere.*

*PAGE 5: Producer Matt Olien (center) at a **Café Perspectives** taping; director of television Bob Dambach on location; guest Gail Asper on **Prairie Pulse** with host John Harris.*

PAGE 6: News director Dave Thompson reporting from a National Guard helicopter; reporters Todd McDonald and Danielle Webster.

*PAGE 7: Radio host Mike Olson; director of radio Bill Thomas on location; Bill Thomas, John Harris, and a guest recording a **Café Chat**.*

*PAGE 8: Children at **Share A Story** and the **Winnipeg Baby and Kids Show**.*

PAGE 9: Education services associate Jamie Anderson; children enjoying online learning; community engagement coordinator Morgan Jenkins with painter/teacher Buck Paulson.

Work Worth Doing

I believe in the positive power of public media. The staff at Prairie Public, our governing board, and our advisory boards agree—there's a vital need for the quality radio, television, and educational services that public media provides. Our work is "worth doing."

Our viewers, listeners, and supporters agree.

Of course, that opinion is not limited to our corner of the globe. In fact, national research* shows that in 2011—for the ninth consecutive year—public television was rated as the most trusted institution in the United States. Additionally, PBS and its member stations were called the "most fair" network for news and public affairs.

Public media's educational services are innovative and highly effective, so it's no surprise that the study named PBS KIDS as the "most educational" television/media brand, the safest destination for children to watch television or visit online, and the top provider of content that helps children build reading and math skills.

Our respected partner in radio, NPR, was rated in the research as being exceptionally fair and balanced. Prairie Public reporters strive every day to live up to those high standards—producing stories that treat all views fairly, aggressively challenging our own perspectives and pursuing a diverse range of others. We share those values with more than 900 public radio stations—resulting in a news network trusted by 26.8 million people each week.

Prairie Public Broadcasting is committed to respect for the individual and our audience, to lifelong learning, civil discourse, and our regional identity. Those who work at Prairie Public Broadcasting take pride in our programming and our service, expressing it through honesty and accuracy, a strong work ethic, teamwork, workplace diversity, effective stewardship of gifts and talents, and good humor.

These stats are important to us because your trust—and the value you get from public media—is at the core of our success and the true proof of our performance.

You helped us make 2011 an outstanding year. Our television and radio staff premiered a record number of local productions, our social networking efforts expanded, the numbers of web surfers visiting and using our web content and resources continued to grow, we participated in new community engagement activities, and our education services staff reached out to more parents, teachers, and caregivers than ever before. And we heard from the public that, yes, public media is "work worth doing."

We fully intend to continue and to expand this worthwhile work—using as a guide our community, our values, and our mission to educate, involve, and inspire. Thank you for your support. Thank you for your trust. And thank you for making our work worth doing.



Warmest regards,

A handwritten signature in dark ink, appearing to read "John Harris". The signature is stylized and written over a light-colored background.

John Harris
President & CEO
Prairie Public
Broadcasting

* The research was conducted in January and February 2012 by the independent, non-partisan research companies Harris Interactive and ORC Online Caravan.



Prairie Public offers television for the curious mind. It respects your intelligence and is always there to inspire you, pique your interest, and enliven your daily life.

Prairie Public goes beyond the headlines of the day to offer solutions to our problems and to build connections that impact the economic and social health of our communities.



2011 Television Highlights

Public television is known and respected for its unmatched quality, variety of programs, and commitment to community. Nowhere else on your television dial can you find the world-class music, theatre, film, and dance that public television offers—all without commercial interruption.

With public television, you can explore the planets and the stars through **NOVA** and the natural world through **Nature**. **PBS NewsHour** presents a daily hour that is hailed as the most impartial news program on television. **Washington Week** ranks as the most interesting conversation of the week, and **Frontline**, recognized as “the last best hope for broadcast documentaries,” has won every major journalism award.

Public television also provides opportunities to develop hands-on skills: learn to sew, make a quilt, add a room onto the house, cook a soufflé, repair plumbing, invest wisely, paint a watercolor, or collect antiques. It can even assist in running a business.

Prairie Public belongs to the entire community and does not exist to market to audiences but to serve them, one individual at a time.

Learning doesn't end with your last degree. As long as our community asks who, what, where, why, when, or how, Prairie Public will help find answers. We are the community's most accessible, credible broadcasting resource for lifelong learning.

Prairie Public's television productions can examine local issues with breadth and depth that sound bites simply can't. Prairie Public's local productions leave lasting impressions on viewers and the community partners it supports.



2011 Prairie Public Productions

- Byron Dorgan in the Halls of Congress**
- Cafe Perspectives**
- Chuck Suchy: Sure am Glad to be Around**
- Election Coverage**
- Fargo Film Festival Preview Show**
- Fish, Mercury and Nutrition: The Net Effects**
- Hydrogen: Nature's Fuel**
- Minot: When the Waters Recede**
- North Dakota Legislative Review**
- Prairie Musicians**
- Read ND: S.D. Nelson**
- Salt of the Earth**
- Water: The Lifeblood of Energy**
- Wetlands: The Drain Game**

Ongoing Series

- Painting with Paulson, Season Twelve**
- Prairie Mosaic, Season Two**
- Prairie Pulse, Season Nine**

Telly Awards

The Telly Awards honor the very best local, regional, and cable television commercials and programs, as well as the finest video and film productions and work created for the web.

Silver Award: Film/Video
Homesteading

Bronze Award: Film/Video
**A Considered View:
The Photography of
Wayne Gudmundson
It's All Earth and Sky**

As broadcasters back away from covering local government and policy issues, Prairie Public continues to be the "town square" for our region, providing a venue for the exchange of ideas, commentary, and discussions.





Each year, more live radio broadcasts are added to the local broadcast schedule—from the state fair, the capitol, public forums, business summits, and even from a National Guard helicopter.

Prairie Public is widely recognized for the excellence of its radio news broadcasts. But our greatest reward is the knowledge that we are a trusted partner in the everyday lives of thousands of our listeners.



2011 Radio Highlights

Public radio is a unique voice on the broadcast dial. In partnership with NPR, PRI, American Public Media, and independent producers, Prairie Public's music, news, and entertainment programs report not only what's happening in our world, but also why it's happening and what it means to the listening audience. We are not just a presenter, but also a representative.

Concerned citizens appreciate public broadcasting's political and election coverage, with discussion of the process, live reports from national and regional events and vote tabulation sites, candidate biographies, debates, and online voter guides providing the essential tools that voters need.

Prairie Public is a primary information source for thousands of listeners who appreciate national news coverage from **Morning Edition** and **All Things Considered** and regional coverage from the Prairie Public radio news team. Listeners have come to expect Prairie Public to provide the very finest in news and information radio programming—we go beyond the headlines to offer meaning and context to world, national, statewide, and local events.

Prairie Public's music programming continues to expand, with split feeds of classical and roots, rock, and jazz serving unique audiences in different areas of the state.

Prairie Public rises to meet your expectations daily. And in what is increasingly rare among 21st century media, Prairie Public prides itself not on having the answers, but in always having the questions.



2011 Radio Special Projects

Cafe Chats

Dakota Air: The Radio Show

Election Coverage

**High Risk High: Youth Drinking
in North Dakota**

German Russian Food Traditions

German Russian School Memories

Minot: When the Waters Recede

Ongoing

Daily Newscasts and Reports

Dakota Datebook

Friday Night Swing

Hear It Now

Hour 23

Into the Music with Mike Olson

Just Jazz

A Little Night Music with Ted Quanrud

Mike Olson's *Blues Cruise*

Natural North Dakota

Notas Latinas

Plains Folk

Prebys on Classics

Why? Philosophical Discussions

About Everyday Life

Great Plains Associated Press Contest

The Associated Press is the essential global news network, delivering fast, unbiased news from every corner of the world.

The non-for-profit news cooperative honors excellence in reporting.

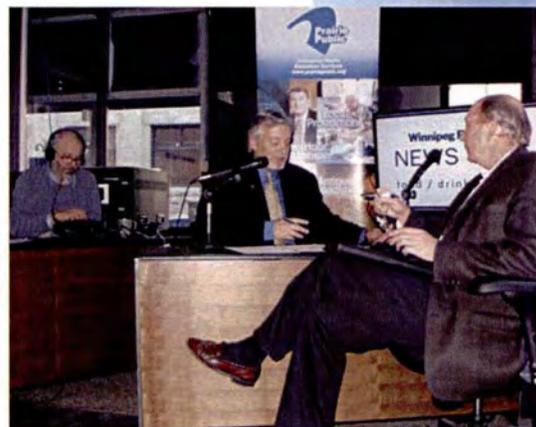
1st Sports **A day-long run for sled dogs**

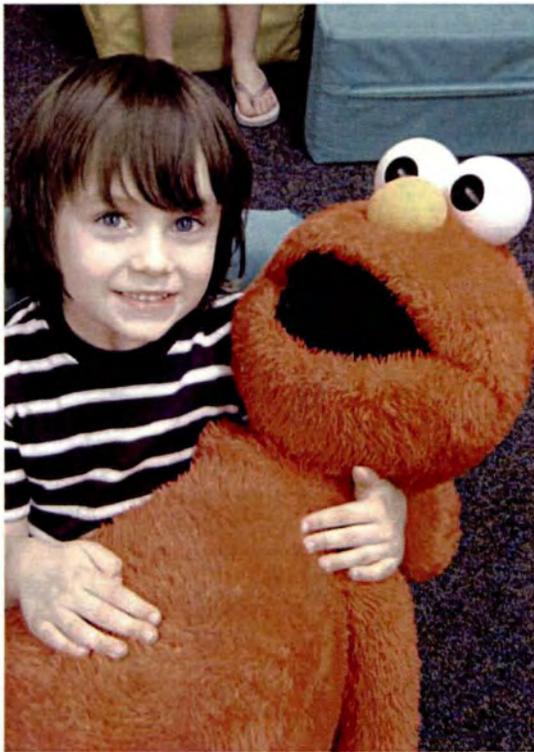
Todd McDonald

1st Feature **Honolulu? No, It's Fargo**

Danielle Webster

We have worked hard to build a reputation for accuracy, impartiality, and diligence, and we consider your trust the bedrock of our mission.





Of all the services we provide to our community, nothing surpasses Prairie Public's commitment to its youngest viewers. Prairie Public has long recognized the extraordinary influence television has on young minds and the responsibility we assume whenever they spend time with us.

Public television's children's programs are the most honored and respected on television—sweeping the Emmy awards children's category year after year and earning the trust of parents and families—and every PBS program has online resources for educators and families.



2011 Education Services and Community Engagement Highlights

Prairie Public is a key component in providing all ages with educational opportunities, but our education services team delivers to childcare providers and educators with exceptional enthusiasm—resources available 24/7, video on demand, lesson plans, family literacy events, professional development, and other services unmatched in the education industry.

Prairie Public offers tools to educate the young with trusted classroom resources that help teachers supplement lessons.

Teacher Training Institutes from Prairie Public help teachers integrate history, culture, art, science, and mathematics into their curriculums using the newest technologies. Online resources available via Prairie Public, such as **PBS LearningMedia**, **PBS Teachers**, **TeacherLine**, and **Learn 360** bring together the best of public media for classroom use; and Prairie Public's **ND Studies** regional website provides a multitude of resources specifically about our prairie region—including clips from local documentaries.

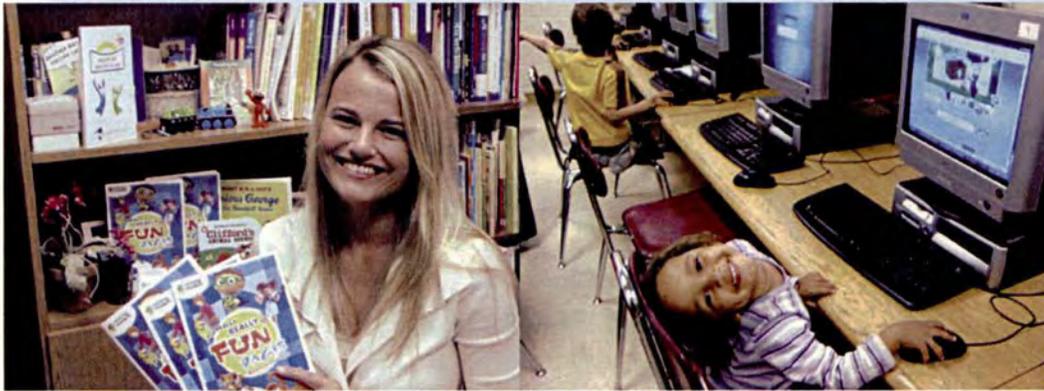
Prairie Public offers thousands of educational programs designed by educators for classroom viewing. Online multimedia curriculum support enhances the service and makes it easily accessible for busy teachers and homeschoolers. The education services website lists video series for easy searching, offers standards-based curriculum connections, links programs to other sites (in many cases with streaming video), and provides a monthly newsletter and schedules.

The education services team travels across the prairie region to present media-on-demand and programming resources, and our staff appears at many conferences throughout the year to provide hands-on, in-school workshops about all the resources offered.

Staff members also travel across the region with PBS walkaround characters, such as Clifford the Big Red Dog and Elmo, to participate in events that strengthen our ties with the community.

Prairie Public Library Corners placed in libraries across the region give families and caregivers the opportunity to strengthen their children's literacy skills. Each is equipped with multimedia resources including 26 interactive reading activities and corresponding DVDs.

We encourage a multi-media approach to learning by offering correlating websites for parents and caregivers and a safe, educational online space for interactive stories, games, and activities just for children.



We produce programs on issues of community importance and bring viewers together to identify solutions.

We partner with cultural institutions and universities to bring arts and culture, science and history to our audiences, and our local public affairs programs open the doors of museums and bring history alive.

Prairie Public Broadcasting is one of the premiere educational, social, and cultural institutions of our region—opening a gateway to every other organization with which we work.



As a public service, we benefit by improving the community on which we depend for support. We succeed to the extent that our children learn, our audience becomes engaged in topics that matter, and those within our communities join together for a common cause.

2011 Education and Community Engagement—Resources, Activities, and Sponsorships

An Evening with Prairie Public Receptions
Baby and Kids Show
Celebration of 30 Years of Radio
Celebration of Women and Their Music
Dakota Air: The Radio Show
DaVinci: The Genius Exhibition
FMVA Studio Crawl
Grand Forks Public Library Summer Reading Event
Herb and Dorothy Vogel Exhibition at the Plains Art Museum
High Risk High Panel Discussions (4)
Instructional Resource/K-12 Services
K-12 Services Onsite Trainings (22)
Marc Brown Meet and Greet
Member Recognition Tree Plantings
Midwest Kid Fest
NDStudies.org
Buck Paulson Painting Workshops
Parents Fair
PBS Kids Go! Writers Contest
PBS, Prairie Public, NPR and Learn 360 Online Resources
PBS TeacherLine Classes
Preschool and Daycare Visits (20)
Prairie Bee Spelling Bee
Prairie Region Teacher Training Institutes
Sevareid Symposium
Share-A-Story Family Literacy Events (9)
Statewide Curriculum Conferences (9)
Winnipeg Convention Center Mardi Gras
Winnipeg Convention Center New Year's Eve Celebration
Winnipeg's Teddy Bear Picnic

Performances

Riverdance
Daniel O'Donnell
Josh Groban
Celtic Crossroads
Celtic Woman
Paula Poundstone

Premiere Events

Salt of the Earth
Wetlands: The Drain Game
Steamboats on the Red

Prairie Public Broadcasting Boards and Councils 2010–2011

The Prairie Public Broadcasting family is fortunate to have dedicated, hardworking, and enthusiastic people to guide the organization and serve on its boards and advisory councils.

Prairie Public Broadcasting Board of Directors

The Board of Directors is the governing body of the organization, and members are appointed to serve two three-year terms.

Howard Barlow (Chair), Fargo, ND
Rich Becker (Vice Chair), Grand Forks, ND
Pat Berger (Treasurer), Grand Forks, ND
Rodney Biggs, Winnipeg, Manitoba
Dan Buchanan (Secretary), Jamestown, ND
Karen Ehrens (Past Chair), Bismarck, ND
Sharon Johnson, Minot, ND
Rita Kelly, Bismarck, ND
Leslie Malcolmson, Winnipeg, MB
Andy Maragos, Minot, ND
Deb Mathern, Fargo, ND
Dave Monson, Osnabrock, ND
Jerry Nagel, Lake Park, MN
Albert Samuelson, Bismarck, ND
Reeh Taylor, Winnipeg, MB
Ken Zealand (Past Chair and President
of Prairie Public Manitoba), Winnipeg, MB
John E. Harris III
(President & CEO), Fargo, ND

Television Community Advisory Board

The Television Community Advisory Board reviews the programming goals established and the services provided by Prairie Public and advises the Board of Directors whether the programming and other policies are meeting the specialized educational and cultural needs of the communities served.

Rodney Biggs, Winnipeg, MB
Cindy Burgess, Dickinson, ND
Janet Daley Jury, Bismarck, ND
Carol Jean Larsen, Bismarck, ND
Randall Mann, Fergus Falls, MN
Joy Query, Fargo, ND
Dean Schieve, Grand Forks, ND

Radio Council

The Radio Council was established to allow the three partners in the service—Prairie Public, North Dakota State University, and University of North Dakota—to be informed about the network's progress and plans and to provide input to management.

Paul Ebeltoft, Dickinson, ND
John E. Harris III
(President & CEO), Fargo, ND
Britt Jacobson, Park River, ND
Peter Johnson, Grand Forks, ND
Chuck Lura, Bottineau, ND
Laura McDaniel, Fargo, ND
Paul Nyren, Streeter, ND
Susan Podrygula, Minot, ND
Joshua Reidy, Grand Forks, ND
Dr. Thomas Riley (Chair), Fargo, ND
Albert Samuelson, Bismarck, ND
Connie Triplett, Grand Forks, ND
Dr. Craig Schnell, Fargo, ND

North Central Council for School Television

NCCST is an organization of public schools in North Dakota and northwest Minnesota that contracts with Prairie Public to create a virtual educational service unit and to provide links between educators and educational resources.

Diann Aberle, Milnor Public Schools
Dr. Rick Buresh, Fargo Public Schools
Merlin Dahl, Finley-Sharon Public Schools
Jeff Fastnacht (Past Chair),
Ellendale Public Schools
Patrick Feist, Enderlin Area Schools
Dr. David Flowers, West Fargo Public Schools
Dr. Robert Grosz, Fargo Public Schools
Larry Guggisberg,
Roseau Community Schools
Leslie Honebrink, St. Joseph's Catholic School
Jason Kersten, Bottineau Public Schools
Dr. Larry Nybladh,
Grand Forks Public Schools
Clarke Ranum, United Public School District 7
Dr. John Salwei, Bismarck Public Schools
Steve Swiontek, (Chair),
Devils Lake Public Schools
Robert Toso, Jamestown Public Schools
Tamara Uselman, Bismarck Public Schools
Mark Vollmer, Minot Public Schools
Bradley Webster, Rolette Public Schools

Prairie Public seeks enthusiastic, hard-working, dedicated people to serve on the Prairie Public Broadcasting boards. Anyone interested in serving is encouraged to inquire.

**Prairie Public Broadcasting, Inc.
Annual Financial Report
for the Year Ending 9/30/11**

Sources	Television		Radio		PPB
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Total</i>
Membership	\$1,441,641	25%	\$373,684	22%	\$1,815,325
Underwriting	\$193,594	3%	\$191,293	11%	\$384,887
Corporation for Public Broadcasting ¹	\$1,062,526	18%	\$219,167	13%	\$1,281,693
Local Production Funding	\$253,398	4%	\$78,975	5%	\$332,373
State of North Dakota	\$738,318	13%	\$181,635	11%	\$919,953
State of Minnesota	\$507,088	9%	\$0	0%	\$507,088
Grants ¹	\$564,990	10%	\$280,175	16%	\$845,165
Fees, Rents	\$667,614	11%	\$230,918	14%	\$898,532
Charitable Gaming	\$371,753	6%	\$144,571	8%	\$516,324
Other	\$31,321	1%	\$6,232	0%	\$37,553
TOTAL SOURCES	\$5,832,243	100%	\$1,706,650	100%	\$7,538,893
 Uses					
Programming & Production	\$2,487,630	48%	\$1,018,357	53%	\$3,505,987
Engineering	\$1,038,213	20%	\$243,945	13%	\$1,282,158
Administration	\$860,628	16%	\$334,688	17%	\$1,195,316
Fundraising	\$338,858	7%	\$69,856	4%	\$408,714
System Upgrade & Other	\$292,829	6%	\$204,469	10%	\$497,298
Change in Prairie Public Endowment	\$131,458	3%	\$51,123	3%	\$182,581
TOTAL USES	\$5,149,616	100%	\$1,922,438	100%	\$7,072,054
EXCESS (DEFICIT) SOURCES OVER USES	\$682,627		(\$215,788)		\$466,839

Financial data provided from Eide Bailly LLP audited financial statements of Prairie Public Broadcasting, Inc.

¹ Grants include unrestricted support for operations and grants for capital construction and equipment from the U.S. Department of Agriculture, Corporation for Public Broadcasting, and the U.S. Department of Commerce. Grants for capital construction and equipment totaled \$318,232 for television and \$112,316 for radio.

Local support comprised of membership and underwriting is the largest source of unrestricted support for Prairie Public Broadcasting, Inc.

Investors Circle Support

Prairie Public Broadcasting gratefully thanks the following Investors Circle members, a dedicated group of donors who have made gifts totaling \$1,000 or more between October 1, 2010, and September 30, 2011.



Gold Investors • \$5,000 to \$9,999

Dr. Idatonye and Linda Afonya,
Crookston, MN
Joyce and Margaret Beggs, Winnipeg, MB
Jane Groves, Winnipeg, MB

Silver Investors • \$2,500 to \$4,999

Kent Conrad and Lucy Calautti,
Washington, DC
Juliette and John Cooper, Winnipeg, MB
Paul and Gail Ebeltoft, Dickinson, ND
Dr. Rosanne Gasse, Brandon, MB
Michael M. Miller, Fargo, ND
Dick and Barb Owens, Minneapolis, MN
Al and Carol Samuelson, Bismarck, ND
Mary and Richard Scott, Winnipeg, MB
Gus and Mary Staahl, Fargo, ND
Jack Trueman, La Salle, MB
Joe Westby and Rita Kelly, Bismarck, ND

Bronze Investors • \$1,000 to \$2,499

Dr. F. E. and Kate Addo, Bismarck, ND
Jennifer, Cindy and Jay Anderson,
Lloyd E. Anderson LP —
Pinehurst, Bismarck, ND
John Andrist, Crosby, ND
Mr. and Mrs. Allen Arvig, Perham, MN
Margaret-Lynne and Jim Astwood,
Winnipeg, MB
Orlin and Millie Backes, Minot, ND
Ray and Barbara Bailey, Winnipeg, MB
Howard and Dorothy Barlow, Fargo, ND
MacDonald and Taylor Barnes,
Jamestown, ND
Richard and Joanne Becker, Grand Forks, ND
James Beeman, East Grand Forks, ND
Claudia Berg and Robert Matz, Bismarck, ND
Vivian E. Berg, Mandan, ND
Bob and Sally Berrell, Fargo, ND
Rodney and Anne Biggs, Winnipeg, MB
Kim and Barbara Booth, Fargo, ND
Dan and Francoise Buchanan,
Jamestown, ND
Julie Burgum, Casselton, ND
Marilyn Burt, Winnipeg, MB
Arthur and Shirley Carlson, Bismarck, ND
Bill and Pat Cessford, Winnipeg, MB
Walter Christensen, Kenmare, ND
Jeffrey T. and Ann Clark, Fargo, ND
Bob and Virginia Dambach, Fargo, ND
Allan Denton, Winnipeg, MB
Lu Dunn, Bismarck, ND
Jane Dynes, Fargo, ND
Tom Edwards and Jackie McElroy-Edwards,
Thompson, ND
M. Joy Erickson, Fargo, ND
R. D. Evitt, Williston, ND
Noel and Judith Fedje, Fargo, ND
Dr. and Mrs. Calvin K. Fercho, Fargo, ND
Dr. Marcus and Margaret Fiechtner,
Bismarck, ND
Robert Fink, Lambert, MT

Dr. Walter and Carolyn Frank, Bismarck, ND
Bernice Goodman, Grand Forks, ND
Arthur Greenberg, Grand Forks, ND
Gerald Groenewold and Constance Triplett,
Grand Forks, ND
John and Suzanne Harris, Fargo, ND
Jonathan and Maniphone Haug,
Grand Forks, ND
Heidi Heitkamp, Inc., Mandan, ND
Flora A. Hine, East St. Paul, MB
John and Mikey Hoeven, Bismarck, ND
Josh Hoper, Fargo, ND
Andrew Ingalls, Fargo, ND
Christie Iverson and Greg Wentz,
Bismarck, ND
Dr. Sharon Ervin Johnson, Minot, ND
James D. Kertz, Fargo, ND
Richard and Audrey Kloubec, Fargo, ND
Rob and Libby Knotts, Lambert, MT
Drs. Kimberly T. Krohn and John A. Fishpaw,
Minot, ND
Todd and Susan Lahaise, Fargo, ND
Carol Jean Larsen, Bismarck, ND
Magnum Manufacturing LLC, Amenia, ND
Deb Mathern, Fargo, ND
Drs. Laura and Douglas Munski,
Grand Forks, ND
Gerald and Jean Newborg, Bismarck, ND
Lee and Valerie Nordin, Grand Forks, ND
David Nygaard, Bowman, ND
Paul and Anne Nyren, Streeter, ND
John Q. Paulsen, Fargo, ND
John and Rebecca Petrik, Bismarck, ND
Ian and Donna Plant, Winnipeg, MB
Marjorie Reed, Winnipeg, MB
Norbert and Mirella Reilander, Winnipeg, MB
Eleanor Rensvold, Fargo, ND
John and Kathleen Risch, Bismarck, ND
John and Jean Rockey, Winnipeg, MB
Dennis and Anita Rohde, New Town, ND
Dean and Mary Schieve, Grand Forks, ND
William and Mary Schlossman, Fargo, ND
David and Marie Scott, Winnipeg, MB
Tom Steen, Grand Forks, ND
Rodney Steiman and Pauline Wood Steiman,
Winnipeg, MB
Ken and Nola Storm, Fargo, ND
Reeh and Pamela Taylor, Winnipeg, MB
Terracon Development Ltd., Winnipeg, MB
Dave Thompson, Bismarck, ND
Alan D. and Phyllis Ann Thoren Fund,
Winnipeg, MB
Joyce and Sidney Waldron, Winnipeg, MB
Patricia and Kenneth Zealand, Winnipeg, MB
Anonymous, Anchorage, AK
Anonymous, Winnipeg, MB (7)
Anonymous, Moorhead, MN
Anonymous, Bismarck, ND (3)
Anonymous, Fargo, ND
Anonymous, Jamestown, ND (2)
Anonymous, Minot, ND (2)
Anonymous, Richardton, ND

*If we have inadvertently omitted or incorrectly acknowledged your support,
please contact us at 800-359-6900, ext. 510.*

Visionary Circle Support

Prairie Public Broadcasting recently established a new donor club—the Visionary Circle. Visionary Circle was developed as a way to honor those who have demonstrated visionary philanthropic leadership and cumulative lifetime giving of \$25,000 or more in support of Prairie Public's services. Prairie Public is grateful for the steadfast, substantial commitment of these charter members of Visionary Circle:



Stewards • \$50,000

Joyce and Margaret Beggs, Winnipeg, MB

Founders • \$25,000

Gloria Anderson, Fargo, ND
Noel and Judith Fedje, Fargo, ND
Walter and Carolyn Frank, Bismarck, ND
Dr. Rosanne Gasse, Brandon, MB
Jane Groves, Winnipeg, MB
Richard and Barbara Owens, Minneapolis, MN
John and Rebecca Petrik, Bismarck, ND
Al and Carol Samuelson, Bismarck, ND
Richard and Mary Scott, Winnipeg, MB
Gus and Mary Staahl, Fargo, ND
Jack Trueman, La Salle, MB

T. L. Donat Legacy Circle

Prairie Public extends special appreciation to members of the T. L. Donat Legacy Circle. Named for Dr. Ted Donat, Prairie Public's founder, the Legacy Circle provides an opportunity for donors to leave a thoughtful legacy to our region by making a provision for Prairie Public in their wills or through other estate gifts.



Gloria Anderson, Fargo, ND
Carl and Mary Hansen, Thief River Falls, MN
Paul Hunter, Winnipeg, MB
Carol Jean Larsen, Bismarck, ND
Barbara Owens, Minneapolis, MN
Richard Owens, Minneapolis, MN
Layton Raaen, Fargo, ND
Anonymous, Scottsdale, AZ
Anonymous, Winnipeg, MB (4)
Anonymous, Moorhead, MN
Anonymous, Sabin, MN
Anonymous, Fargo, ND (4)
Anonymous, Grand Forks, ND (2)
Anonymous, Kenmare, ND
Anonymous, Minot, ND
Anonymous, Richardton, ND
Anonymous, Towner, ND

If you have provided for Prairie Public in your will or trust, please let us know. By doing so, you will help us to plan for the future and will allow us to thank you for your outstanding commitment to the mission of public broadcasting.

Bequests

During fiscal year 2011, the following honored Prairie Public with gifts in their estates. With deep regard, we remember these friends for their special commitment to sustaining Prairie Public for future generations.

Estate of George William Battershill
Estate of Kathleen Oswald
Estate of Constance K. Wesner

If we have inadvertently omitted or incorrectly acknowledged your support, please contact us at 800-359-6900, ext. 510.

Endowment: Funding the Future

Prairie Public Broadcasting Endowment Fund

The fund, established in fiscal year 2007, is a board-designated fund comprised of unrestricted assets allocated to the fund in accordance with policies adopted by the board of directors. The purpose of the fund is to provide long-term general support to meet the financial needs of Prairie Public. The fund is managed by Bremer Trust based upon the investment policies approved by Prairie Public's Board of Directors. On September 30, 2011, the fund had a balance of \$559,173.

Other Endowment Funds

Through endowed gifts from many sources, Prairie Public has established endowment funds at the three foundations listed below. These professionally managed funds provide annual interest income that helps ensure the future of Prairie Public and enhance the quality of programming, education services, and outreach it provides to those in our region.

Prairie Public recognizes these foundations for managing the funds at their institutions and thanks all donors who have established or contributed to these endowed funds.

Endowment funds are listed below, as well as endowment gifts of \$25,000 or more.

Fargo-Moorhead Area Foundation Fargo, North Dakota

Dennis L. Falk Local Production Fund
Lucien C. Barnes and Edna Barnes Fund,
a component of the
Fargo-Moorhead Area Foundation
Prairie Public Broadcasting Endowment Fund

North Dakota Community Foundation Bismarck, North Dakota

Bismarck Prairie Public Television Fund:
Ruth Landfield
Otto Bremer Foundation
Bremer Banks Prairie Public Television Fund
Prairie Public Television Fund

The Winnipeg Foundation Winnipeg, Manitoba

Prairie Public Television Programming
Endowment Fund:
Anonymous Donor
Prairie Public Television (Manitoba), Inc.
Endowment Fund

Sponsor Support

Prairie Public thanks the following for investing \$1,000 or more in underwriting support for television and radio program services in fiscal year 2011.

7th Avenue Auto Salvage
AARP North Dakota
ABC Seamless
ACCI-CARE
Altru Health System
Amazing Grains
American Diabetes Association
Association of Manitoba Museums
Avant Hair & Skin Care Studio
Bank of North Dakota
Bartlett & West
Basin Electric Power Cooperative
Benedictine Health System
Bethany Retirement Living
Bikram Yoga
Bismarck Mandan Civic Chorus
Bismarck Mandan Symphony
Bismarck Sewing & Quilting
Bismarck State College
Blue Cross Blue Shield of ND/Noridian
Calm Air
Charterhouse Hotel
Children's Hospital Foundation of Manitoba
Cornerstone Dental
Cottonwood Golf & Country Club
Creative Kitchen
Curtis Construction Company
Curtis Tanabe, DDS
Dakota Eye Institute
Dakota Stage
Dan's Supermarket
Destination Churchill
DFC Consultants
Dickinson State University
EAPC
Edward Jones
Elim Rehab & Care Center
Eventide
Fair Hills Resort
Family Vision Clinic
Fargo Moorhead Civic Opera
Fargo Psychiatric Clinic
Farmers Union Insurance
FMVA Studio Crawl
Foot Solutions
Frontier Americana of Fargo
Gate City Bank
Great River Energy
Happy Harry's Bottle Shops
Harmon Glass Doctor
Hartz Foundation
Heart Institute of North Dakota
High Plains Reader
Holiday Inn Fargo
Horizons Magazine
Hornbacher's Foods
Hotel Donaldson
Humphry Inn & Suites
Independent Living Resource Centre
Inn at the Forks
J & R Vacuum & Sewing Centers
J.W. Pepper
Jade Presents
JAQ's Garage
Keepseagle v. USDA
Knight Printing
Live Nation
Logix
Lundeen Foundation/Victor Lundeen Company
Mainstay Suites Winnipeg
Mike's Pizza & Pub
Minot State University
Minot Symphony Orchestra
Mojo
Montana Tourism
Native American Trust
NDSCS
NDSU Division of Fine Arts
NDSU Memorial Union Gallery
Neil Bardal Funeral Centre
Nilles Law Firm
Nodak Mutual Insurance
Norsk Hostfest
North Dakota Association of Rural Electric Cooperatives
North Dakota Education Association
North Dakota Living Magazine
North Dakota Solid Waste & Recycling Association
North Dakota Teen Challenge
North Dakota Wheat Commission
Otter Tail Power Company
Park Christian School
Prairie Business Magazine
Prairie Stained Glass
Ramkota Hotel of Bismarck
RCA Museum
Remax-Gary Davlut
Retina Consultants
Rhombus Guys
Scan Design
Sewing Machines Plus
Sharehouse
South Beach Casino
Spirit Room
St. Alexius Medical Center
St. John's-Ravenscourt School
Stained Glass Workshop
Starion Financial
The Old House Revival Company
Today's Giving Magazine
True North Sports & Entertainment
Twin City Garage Door
UND Chester Fritz Auditorium
United Automotive Tech Center
United Tribes Technical College
University of Mary
Urgent Med
Valley Imports
Victoria Lifeline
Vogel Law Firm
West Acres Shopping Center
Winnipeg Art Gallery
Winnipeg Convention Centre
Xcel Energy
Zandbroz Variety
Zealous Medispa
Zuger Kirmis & Smith

Additional Support

A broad base of individual, corporate, and foundation support generates substantial municipal, state, and federal support for Prairie Public Broadcasting's services. Funds support operations, capital improvements, and specific outreach programs and productions. Prairie Public received support from the following in fiscal year 2011.

AARP
Altrusa International of Fargo
Berdie and Irvin Cohen Memorial Fund
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David and Ruth Borlaug
Mr. Robert Chabora
Corporation for Public Broadcasting
The Dakota Institute of the
Lewis & Clark Fort Mandan Foundation
Division of Mental Health & Substance
Abuse Services of the North Dakota
Department of Human Services
Ducks Unlimited Canada
Energy and Environmental
Research Center—U.S. Department
of Energy NETL Program
Fargo-Moorhead Area Foundation
Fargo, West Fargo, and Moorhead
through an Arts Partnership grant
A. Flegel
Gate City Bank
Germans From Russia
Cultural Preservation Society
Hal and Kathy Gershman Family Foundation
Governor's Prevention Advisory Council
Dr. Gerald H. Groenewold
Jewish Foundaton of Manitoba
Lake Agassiz Regional Council
Carol Jean Larsen
Lignite Energy Council
Maria Kaiser MacTavish
Michael M. Miller
Minnesota Arts and Cultural Heritage Fund,
with money from the vote of the people
of Minnesota on November 4, 2008
Nash Finch Company
Native American Public
Telecommunications, Inc.
North Dakota Council on the Arts
North Dakota Farmers Union
North Dakota Humanities Council
North Dakota State University
North Dakota State University Libraries
Germans From Russia Collection

Otto Bremer Foundation of
St. Paul, Minnesota
PCOR Partnership
Public Broadcasting Service
Dr. Donald C. Schenk
State Bank and Trust
State of Minnesota
State of North Dakota
United Sugars Corporation
U.S. Department of Agriculture
Rural Utilities Service
U.S. Department of Commerce Public
Telecommunications Facilities Program
University of North Dakota
The Winnipeg Foundation

Matching Support

Your gift to Prairie Public helps us to qualify for matching grants from sources including the National Endowment for the Humanities. When you make a contribution to Prairie Public, it is often matched dollar-for-dollar by these grants. If you do not wish your contribution to be matched by eligible grant funds, please contact us at 800-359-6900 or at info@prairiepublic.org.

In addition, many businesses match contributions made to Prairie Public. We salute the companies listed below that matched contributions made by their employees.

Abbott Fund Matching Gift Plan
Archer Daniels Midland Company
Burlington Northern Santa Fe Foundation
Gate City Bank
IBM Corporation
Microsoft Matching Gifts Program
Thrivent Financial for Lutherans
U.S. Bancorp
Qualcomm Matching Gift Program



Many Prairie Public local television productions are funded in part by the following:

Minnesota Arts & Cultural Heritage Fund with money from the voters on November 4, 2008, North Dakota Council on the Arts, North Dakota Humanities Council, and by the members of Prairie Public. Thank you!

If we have inadvertently omitted or incorrectly acknowledged your support, please contact us at 800-359-6900, ext. 510.

Television

Bismarck	KBME-DT
Crookston/Grand Forks	KCGE-DT
Dickinson	KDSE-DT
Devils Lake	KMDE-DT
Ellendale	KJRE-DT
Fargo	KFME-DT
Grand Forks	KGFE-DT
Minot	KSRE-DT
Williston	KWSE-DT
Manitoba, Canada	Via cable

With additional digital capabilities, Prairie Public broadcasts four program streams. Viewers who use a rooftop antenna receive all four. Viewers who use cable, dish, or satellite services will receive Prairie Public's primary schedule, and one or more additional program streams.

Prairie Public Prairie Public's high-definition schedule.

World Nonfiction, science, nature, news, and public affairs programs.

The MN Channel Programs produced in and about North Dakota, Manitoba, Minnesota, and the region.

Lifelong Learning How-to, travel, cooking, and K-12 classroom programs.

Radio

Bismarck	90.5 fm
Beach	91.9 fm
Bowman	91.9 fm
Crosby	91.9 fm
Devils Lake	91.7 fm
Dickinson	89.9 fm
Fargo	91.9 fm
Grand Forks	89.3 fm
Grand Forks	90.7 fm
Hettinger	91.9 fm
Jamestown	91.5 fm
Minot	88.9 fm
Thief River Falls	88.3 fm
Tioga	91.9 fm
Williston	88.7 fm
Williston	89.5 fm
Plentywood MT	91.9 fm
Winnipeg MB	Cable 107.9

Listeners can choose from Prairie Public's two radio formats and can **access both** schedules with an HD radio or online at www.prairiepublic.org.

Roots, Rock, and Jazz Public radio's signature news and entertainment programs and a diverse schedule of roots, rock, and jazz music.

Classical Public radio's signature news and entertainment programs and a diverse schedule of classical and opera music.



Like us on Facebook



Find our free radio app on your mobile device



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Education Services
Enterprises

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Prairie Public Television (Manitoba), Inc.
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www.prairiepublic.org
info@prairiepublic.org



Exploring Books

Birth to Six Months:

Newborns are calmed by the sounds of lullabies and nursery rhymes in their first stories. By four months, a baby will show interest in books by chewing on them or throwing them.

Six to 12 Months:

Looking at the books together, and talking about the pictures, will enhance a baby's interest in a story. Invite eight- and nine-month-olds to turn the pages.

12 to 18 Months:

Babies delight in reading books with adults. Babies are natural explorers, so choose books with special fabrics and textures they can touch and feel. They will turn pages, name objects and begin to enjoy simple stories.

TIPS FOR READING ALOUD TO BABIES:

- Recite nursery rhymes and sing songs to newborns.
- Introduce books to babies at around four months old.
 - Establish a regular reading routine by your baby's first birthday.
 - Visit your local library. It's fun for you and your baby.

Prairie Public

Give them words to grow by

PBS is a private, nonprofit media enterprise owned and operated by the nation's 349 public television stations. PBS and its local stations enrich the lives of all Americans through quality programs and education services on noncommercial television, the internet and other media. More information about PBS KIDS Share a Story is available at pbs.org/shareastory.

Age-by-age reading tips provided by the Education Development Center, Inc.

PBS KIDS Share a Story is made possible in part by

PBS KIDS Share a Story inspires adults to help millions of children develop language and literacy skills through simple, fun daily activities including reading, storytelling, rhyming and singing.

SHARE A STORY SHAPE THE FUTURE

When children's brains are nourished by words, they are better prepared to read and succeed in school. Any family member or caregiver, regardless of wealth, education or native language, can help enhance a child's reading success by engaging in simple and fun activities. Reading aloud, sharing stories, singing songs and making rhymes teach children important lessons about words and how we use them.

WELCOME EVERY ADVENTURE

This brochure is the first in a series from PBS KIDS Share a Story to provide tips and ideas on filling a child's world with words. One of the best ways to increase a child's vocabulary, and prepare him and her to read, is to read aloud every day. This brochure provides tips on reading aloud to children from birth through first grade.

For a complete list of tips for reading aloud, visit pbs.org/shareastory.

TODDLERS 18 to 36 Months: Learning to Love Books

Even though toddlers are still developing language, reading is very important at this age to learn about new words and concepts, and to introduce letters.

TIPS FOR READING ALOUD TO TODDLERS:

- Show toddlers that books are special. Encourage care when handling books.
 - Read a variety of books. Keep it interesting for you and your toddler.
- Build reading into an everyday routine. Bedtime and naptime are often favorites.
 - Talk to your toddler as you read. Label objects and ask questions.

PRESCHOOL Three to Four Years: Filling Their World with Words

At this stage, children use their ever-increasing language skills to become "big talkers" and develop an awareness of the power of the written word. To help young children develop into readers and writers, play with letters and their sounds, promote dramatic play using characters from books, and read lots of books together.

TIPS FOR READING ALOUD TO PRESCHOOLERS:

- Point out the author and illustrator. Let them know someone created their book.
- Point out each word with your finger. This reinforces spoken/written word relationships.
- Read and reread favorite books every day. Young children delight in predictability.
- Read books with a variety of characters. This stimulates imagination.
- Ask questions about the story. This helps link your child's life with the story.

KINDERGARTNER Five Years: Discovering the Written Word

Most kindergartners are on the threshold of becoming readers. To extend the child's budding literacy skills, read and write as often as possible, and introduce new words while talking together.

TIPS FOR READING ALOUD TO KINDERGARTNERS:

- Establish a special time for reading aloud every day.
 - Read different kinds of books together. Variety broadens knowledge and vocabulary.
- Talk about more than just the plot of the story. Ask why things happened and why characters acted in a certain way.
- Let the child read, and offer help only when asked or needed.
- Read aloud both short chapter books and longer picture books.
 - Don't limit reading to books. Encourage the reading of signs, shopping lists, menus, etc.

FIRST GRADE Six Years: Cracking the Code of Words

The number of words your first-grader can read and spell increases dramatically this year. Most importantly, your first-grader starts to "crack the code" of the written language, as he sounds out words, learns to identify them, and understands their meaning.

TIPS FOR READING ALOUD TO FIRST-GRADERS:

- Discuss the book before, during and after it's read to develop reading comprehension.
- Encourage the child to correct reading errors by asking questions. "Did that make sense?" "Does that sound right?"
- Reread books to help beginners become more fluent readers.
- Make sure your child reads books at a comfortable level. Make it positive, not frustrating.
- Don't be tempted to stop reading to your new reader! Read aloud books that are too difficult for the new reader.



EDUCATION SERVICES

2011-2012

*Enrich. Engage. Empower.
Inspire. Excel.*



Online Resources

Professional Development

Prairie Region Teacher Training Institutes

Workshops & Conferences

Literacy Grant

Prairie Public Education Services provides multimedia resources and professional development trainings for preK-12 educators and the families they serve.



ONLINE RESOURCES

PROFESSIONAL DEVELOPEMENT

The Prairie Public education website is your destination for easy, instant access to thousands of pre K-12 classroom-ready, digital resources including videos, interactives, hands-on activities, articles, and even lesson plans.

PBS LearningMedia

- Free
- Dynamic and next-generation platform
- 14,000+ resources from many PBS stations
- Video and other resources to save and share

NDStudies Regional Website

- Free
- Downloadable video clips from Prairie Public local productions
- Primary sources
- Constantly new content

- Extensive audio and video libraries
- Lesson plans, videos, articles, images, and interactives
- Comprehensive and easy search options
- 24/7 media on demand
- High quality
- Common Core, state, and/or national standards

PBS Teachers

- Activity packs
- Discussion groups and blogs
- Webinars
- Streaming video and teacher resources for all PBS programs
- Interactives perfect for whiteboards

Learn360

- 73,000+ media resources
- Trusted educational contributors
- Webinars and training manuals
- Content sharing
- Cost effective

Teacher Training Institutes

Prairie Region Teacher Training institutes integrate regional history, culture, the arts, and/or science into cross-curricular lessons using video and web-based technologies.

- Model lessons demonstrate strategies.
- Reflective discussions reinforce learning.
- Hands-on learning strengthens understanding.
- Continuing edcation and/or credit add value.

PBS TeacherLine Online Courses

- Affordable
- Collaborative
- Customizable
- Convenient—everything is on-line. No textbooks!

Workshops & Conferences

Education Services provides free workshops and trainings on-site or at professional development conferences. Choose from a variety of workshops or customize a training to fit your school's needs.

Accessing and Integrating Online Media Resources
Prairie Public and PBS Services and Resources Overview
Sensational Science
Healthy Kids, Active Viewers
Raising Readers



Contact education@prairiepublic.org



Literacy Grant

Prairie Public offers literacy grants for preK-3 grade schools to host Share a Story Family Literacy Events.

- \$500 cash stipend
- Free books for each child who attends
- PBS costumed character meet and greet
- Prairie Public on-air and printed promotional resources
- Much, much more



Broadcast

Lending Library

Spark lively discussions by using a video from Prairie Public's Lending Library in your lesson planning. Email education@prairiepublic or order online.

Schedules

Find the Lifelong Learning Channel and the Early Morning Block Feed schedules in the monthly e-newsletter or on the education website. Also, check out Prairie Public's latest digital channel, **World**, public television's best documentary, nonfiction and news programming.

Literacy Rich Programs

Watch for **Between the Lions**, **Martha Speaks**, **Super Why!**, **Sesame Street**, **Electric Company**, and **WordWorld** to help develop literacy skills.

(701) 239-7574

education@prairiepublic.org

www.prairiepublic.org/education



raising
readers

Fun Games to Help Your Child Learn to Read



Sesame Street

1 Find the first letter of your child's name at home, in the car, or on the bus.

2 Sing songs together.



Between The Lions

3 Hat. Cat. Sat.
Rhyme words
with your child.



WordWorld

4 Share a story with your child, then ask your child to share one with you.

5 Point out words you see everyday, on signs and at the store.



SUPER WHY!

6 Watch PBS KIDS' shows *SUPER WHY*, *WordWorld*, *Sesame Street* and *Between The Lions* with your child. Then find the letters and words from the show!



Did you know?

Prairie Public has tons of resources for kids to get Ready To Learn?

Martha Speaks Reading Buddies

Fourth grade students buddy-up with kindergarten students to teach and learn with one another. This program helps students build literacy skills and self-esteem. The entire program is free to download on the **Martha Speaks** website.



Contact us
for more
information.

Raising Readers Library Corner

Library Corners are free for public health centers and libraries in the Prairie Region. The corners are enriched with books, print activities, online games, and video clips to help young children build literacy skills.



PBS Kids Mobile Applications

PBS presents multiple new mobile apps that inspire learning. Try **FETCH! Lunch Rush** to increase your students' math skills or **Sid's Science Fair**, where they can sort and classify collections.



Healthy Kid. Healthy Future.

Prairie Public provides resources for educators and caregivers that inspire children to live healthy. These online resources encourage ways to eat, play, and smile healthy.



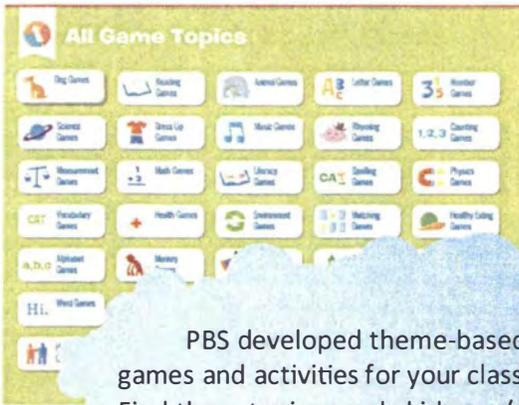
Ready to Learn Workshops

- Raising Readers
- Healthy Kid. Healthy Future.
- Martha Speaks Reading Buddies



(701) 239-7574

education@prairiepublic.org
prairiepublic.org/education



PBS developed theme-based games and activities for your classroom? Find these topics on pbskids.org/games/

Did you know?

Case Studies show that research-based, digital games help children learn healthy behaviors, traditional skills such as reading and math, and 21st-century skills such as critical thinking, global learning, and programming design.



Prairie Public travels across the Prairie Region to present media-on-demand and programming resources. Staff appears at many conferences throughout the year and provides hands-on, in-school workshops on PBS LearningMedia, NDStudies.org, Learn360, PBS Teachers, and more.

PBS offers many interactive whiteboard games for educators to help engage students in learning with their favorites PBS character.

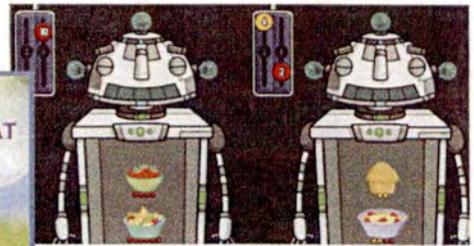


Featured Classroom Resources



Thousands of lesson plans in all curricular areas for all grade levels are easily accessible on PBS Teachers.

To learn more about the available lesson plans, go to pbs.org/teachers!



Did you know...?

You can find a large number of educational games and interactive activities for all ages from PBS and other producers.



Take It Further Write a word around a sentence from the column of the word. Children will generate similarities a

Word Play

You will need

- cutout stars
- basket filled with

Rhymes with Star

Have children sit in a circle and give each child a cutout star.

The Cat in the Hat Knows a Lot About That!

ACTIVITY

FEEDING AND OBSERVING BIRDS

WordWorld

Activity Ideas

Fish-SH-SH-ing

In "Sh-Sh-Shark," the WordFriends learn many new words with the "sh" sound. Discover "sh" words with your child with this fun "fishing" game.

Curious George

Let's Build!

Can YOU build a bridge like George?

Did you know...?

You can find direct links to lessons, guides, and extension activities for the classroom from our website.

Did you know...?



The **Daily Almanac**

- An episode a day!
- 6 segments!
- Fascinating facts!

The smart way to start each day.

Education Services purchases yearly rights to many online programs and services for your use. Some of our online titles are password protected. **PASSWORD = media4u**

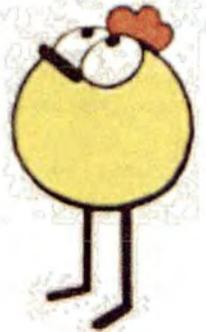




Since 2006, all programs affiliated with PBS have had accompanying educational materials tied to those programs.

Over the past few years, those resources have grown from a handful of articles, worksheets, and coloring pages into a vast collection of searchable online educational games, interactive activities, podcasts, and media-rich lesson plans.

Online Media & Teacher Resources from Prairie Public and PBS



Online Media

The range of media resources available to schools has grown in size and sophistication. Although educators may still record programs off their Prairie Public channel or borrow DVD/VHS series from our lending library, more schools and teachers are turning to online media that can be streamed directly into the classroom. What most teachers don't realize, however, is how much media, both full-length programs and short clips prepared specifically for classroom use, can be found on the Internet.

Find Quality Media Quickly and Easily

Education Services has spent several months identifying and organizing resources as well as expanding our website to make those resources easier to navigate. Teachers can now find lists of PreK-12 educational programs narrowed down first by grade strand and then labeled according to content areas. From that point, teachers will find links to online video repositories for each program as well as links to teacher resource materials.

Many teachers are surprised to discover that teacher resource materials are not just available for educational programs such as **Sid the Science Kid** or **DragonFly TV** but for ALL PBS programming, including **Masterpiece**, **NOVA**, and even news and current events programs like **Frontline**.

www.prairiepublic.org/education

Select **TEACHERS**

Select **MEDIA RESOURCES**

Select an **ONLINE MEDIA** link:

- North Dakota Studies
- PBS Media, Games & More
- Other Titles

**Prairie
Public**

SciGirls[®]

WAVES



A program guide for members of **Prairie Public Broadcasting**
January 2013

Masterpiece Classic *Downton Abbey* Season 3

"No family is ever what
it seems from the outside."
*The Dowager Countess
of Grantham*



THE GREAT WAR IS OVER and the long-awaited engagement of Lady Mary and Matthew is on, but all is not tranquil at Downton Abbey as wrenching social changes, romantic intrigues, and personal crises grip the majestic English country estate. Shirley MacLaine joins the much-loved cast, which includes Dame Maggie Smith, Elizabeth McGovern, Hugh Bonneville, Dan Stevens, Michelle Dockery, Jim Carter, Penelope Wilton, and many others.

Downton Abbey Season 3 airs over seven Sundays beginning with a two-hour premiere on January 6 at 9:00 p.m. (CT) and concluding with a 90-minute finale on February 17.



This just in from Masterpiece executive producer Rebecca Eaton...

"We're thrilled to tell our millions of *Downton* fans that they can look forward to a *fourth* season of their favorite show."

Radio Features

Dakota Air: The Radio Show will perform live in Stanley, North Dakota, on *Saturday, January 5*. Visit dakotaairtheradioshow.com for all the details—you can listen to past shows there, too.



ND Legislative Reviews will air beginning January 17 and continue throughout the session with radio reports *Thursdays at 6:35 p.m. (CT)* and television reports *Fridays at 8:00 p.m.* and *Saturdays at 5:30 p.m. (CT)*.



The *8th Annual Blizzard Bluegrass Weekend* is coming up at Bismarck State College.

Tune in *Thursday, January 10*, at 3:30 or 7:30 p.m. (CT) as **Hear It Now** visits with Mandan native Preston Schmidt, who returns from Nashville with his band, *Brand New Strings*.

HEAR IT NOW

Capitol Steps

Politics takes a holiday on *January 1 at 3:00 and 7:00 p.m. (CT)* as **The Capitol Steps** put the 'mock' in democracy with a year-in-review show.



We live in a global society

Our region's changing demographics are shaping our communities in exciting new ways.

Independent producer Erika Lorentzen is exploring this diversity with a new radio series. **New American Stories** is a collection of voices—from India to Germany to Vietnam—the voices of people who now make our region their home. The series itself is diverse. It examines worship and religion, traditions, how cultural differences affect dating, and the workplace challenges and opportunities of new immigrants.

You'll hear the radio reports periodically embedded in Prairie Public's news reports, or you can listen online anytime at prairiepublic.org/radio.

New American Stories is funded with generous support from the North Dakota Humanities Council and the Fargo-Moorhead Area Foundation.

Take the oil patch tour



Explore a new feature this month on the **Black Gold Boom** website. In the interactive documentary "Rough Ride: The Oil Patch Tour," you'll see bumper-to-

bumper traffic on Highway 85, watch Jessie Veeder sing from the top of a haystack about the oil boom, and meet a trucker who wishes he were home with his family in Minnesota. It's new on BlackGoldBoom.com.

Black Gold Boom is produced by independent producer Todd Melby and brought to you by Prairie Public with support from **Localore**, a national initiative produced by AIR, the Association of Independents in Radio, Incorporated; and with financial support from The Spence Law Firm, the Corporation for Public Broadcasting, the Wyncote Foundation, the John D and Catherine T MacArthur Foundation, and the National Endowment for the Arts.

Where's the Radio Schedule? Find Prairie Public's radio broadcast schedules for your area online at www.prairiepublic.org/radio, or call 800-359-6900 and we'll be happy to send a printed copy.

Member News

An evening with...



Join us

**Thursday,
January 24
5:30 p.m.
Kelly Inn
Bismarck, ND**

Meet Other Supporters Express Your Views

- Cocktail Reception
- Dinner
- Silent Auction
- Door Prizes
- Station Updates

Tickets:
\$25 per person.
Seating is limited.
Respond by
January 14.
Call Ashley at
800-359-6900,
ext. 585.

Board of Directors and Radio Council to meet

Prairie Public's Radio Council will meet Thursday, January 24, at 4:00 p.m., and Prairie Public's Board of Directors will meet Friday, January 25, at 8:00 a.m., both at the Kelly Inn in Bismarck. All meetings are open to Prairie Public members and to the public. For further information, please contact Kirstin Lindbergy at 800-359-6900.

Tax Receipts

What you need to know

Contributions to Prairie Public are tax deductible to the extent allowed by law. Your gift is deductible for the amount of the contribution minus the fair market value of any thank-you gift(s) you receive. Receipts are mailed in mid January for contributions made during the previous calendar year. All Canadian residents who contribute to Prairie Public will receive a tax receipt from Prairie Public Television (Manitoba), Inc. United States residents who make gifts totaling \$250 or more, or who make gifts totaling \$75 or more and acquire a thank-you gift, will receive a tax receipt.

Please remember Prairie Public Broadcasting in your will and trusts.

At Your Service

Your gift to Prairie Public helps us qualify for matching grants from sources including the National Endowment for the Humanities. When you renew your membership or give an additional gift, it is often matched dollar-for-dollar by these grants.

We value your membership in Prairie Public and strive to provide you with excellent service. Switchboard hours at Prairie Public are **Monday–Friday, 8 a.m. to 5 p.m.** (CT). After hours, you may leave a message and your call will be returned. Call us at **701-241-6900** or **800-359-6900**. Fax us at **701-239-7650** or use a TTY in North Dakota at **800-366-6888**. E-mail your questions and comments to info@prairiepublic.org and find Prairie Public on the Web at www.prairiepublic.org

A membership investment of \$35 or more entitles you to a one-year subscription to **WAVES**. If you do not wish to receive this publication, please notify us. Contributions are tax deductible. Tax receipts are mailed in January. In accordance with North Dakota gaming regulations, Prairie Public Broadcasting's financial gaming records are available for review to the public. Prairie Public Broadcasting is an Equal Opportunity Provider.



Scan this code with your SmartPhone to visit this month's featured site!

WAVES is published 12 times a year by Prairie Public Broadcasting, Inc.
207 North Fifth Street, P.O. Box 3240
Fargo, ND 58108-3240



<http://www.pbs.org/wgbh/masterpiece/>

Prairie Public Broadcasting is a member of the Public Broadcasting Service, a private, nonprofit corporation. PBS provides quality television programming and related services to Prairie Public Broadcasting. Prairie Public is also a member of National Public Radio, a network owned by its member stations.



American Experience brings to life the epic struggles of the men and women who fought to end slavery—Frederick Douglass, William Lloyd Garrison, Angelina Grimké, Harriet Beecher Stowe, John Brown, and others—with

The Abolitionists. The three-part series, which tells the story largely through period drama narrative, airs 150 years after the Emancipation Proclamation took effect in January 1863. **New!** Tuesdays at 8:00 p.m. (CT), beginning January 8



Arts & the Mind explores how the arts can improve children's school performance and keep brains agile and sharp into old age, how teenagers find meaning and hope through poetry, how the arts help heal hospitalized children and older veterans with PTSD, and why one of America's leading Alzheimer's researchers advises that dance is the single most effective way to ward off dementia. **New!** Sundays, January 13 and 20, 8:00 p.m. (CT)



Paul Simon's *Graceland* album is considered one of the most significant recordings of its time. But why was *Graceland* so controversial in 1986? **Great Performances** reflects on the landmark event as Simon returns to South Africa to reunite and perform with several of the musicians involved in the original album in *Paul Simon's Graceland Journey*. **New!** Friday, January 4, 8:00 p.m. (CT)



Art-world darling Wayne White got his big break when he helped create the unhinged children's show "Pee-Wee's Playhouse." His off-kilter style and self-deprecating sense of humor offer a peek into an imagination that refuses to grow up. **Independent Lens'**

Beauty is Embarrassing chronicles the vaulted highs and the crushing lows of this Tennessean commercial artist. **New!** Monday, January 21, 9:00 p.m. (CT)



It may be more famous now than at any time in its 1,300-year history as the setting

of *Downton Abbey*, but this English castle has its own stories to tell. In its heyday, Highclere was the social epicenter of Edwardian England. **Secrets of Highclere Castle** shows how the inhabitants of Highclere lived, from the aristocrats who enjoyed a life of luxury to the army of servants toiling "below stairs." **New!** Sunday, January 6, 8:00 p.m. (CT)



Racing the Rez offers a rare view into the surprising complexity and diversity of contemporary reservation life, from the point of view of five teenage

boys. The documentary follows the boys from the classrooms to their remote, un-electrified Navajo and Hopi reservation homes, from grueling runs across canyons and mesas to their ultimate day of reckoning—the state meet. **New!** Wednesday, January 16, 7:00 p.m. (CT)

Highlights



They create new land, change landscapes and destroy civilizations, but more than two

billion years ago, volcanoes also breathed life into our world. From the ocean abyss to snow-covered summits, the ambitious series **Life on Fire** paints a detailed picture of the struggles and amazing intimacy required to survive around volcanoes. *New! Wednesdays, January 2 at 9:00 p.m.; January 16 at 8:00 p.m. and 9:00 p.m.; January 23 and 30 at 9:00 p.m. (CT)*



United States Senator Kent Conrad reflects on 26 years of service in two new productions from

Prairie Public. **A Conversation with Senator Kent Conrad** will air *Friday, January 11, at 8:00 p.m. (CT)*, and **Senator Kent Conrad** airs *Monday, January 28, at 9:00 p.m. (CT)*



The third season of **Pioneers of Television** reveals more behind-the-scenes stories about television shows that continue to influence the medium today.

In January, laugh along with *Funny Ladies*—Betty White (pictured), Phyllis Diller, Joan Rivers, Lucille Ball, and Mary Tyler Moore—and relive the nighttime soap frenzy with *Primetime Soaps*. *New! Tuesdays, January 22 and 29, at 7:00 p.m. (CT)*



On this month's **Prairie Musicians**, we're bringing back some

toe-tapping tunes from *The Wood Picks* on January 9 at 9:30; and we're introducing a new season of music with performances from *Keri Noble* and *The Riffs* on January 11 at 8:30 and 9:00 p.m.; and *Dakota Air* and *Ogg Creek* on January 18 at 8:30 and 9:00 p.m. (CT). *New!*

Mother Nature in Charge: The Devils Lake Dilemma

In April 2012, **Mother Nature in Charge: Devils Lake Life Stories** examined the plight of the area's frustrated residents. Now, **Mother Nature in Charge: The Devils Lake Dilemma** investigates further—to examine



the impact of the new outlet and assess the future outlook. Tune in for the television premiere of this new production from Prairie Public on *January 15 at 7:00 p.m. (CT)*.

You're invited!

Join us January 10 at 7:00 p.m. for a free public screening of **Mother Nature in Charge: The Devils**

Lake Dilemma at Lake Region College in Devils Lake.

Many Prairie Public local television productions are funded in part by the following:

Minnesota Arts & Cultural Heritage Fund with money from the voters on November 4, 2008, North Dakota Council on the Arts, North Dakota Humanities Council, and by the members of Prairie Public. Thank you!

ARTS
North Dakota Council on the Arts



January Prime Time Television Programs

Visit www.prairiepublic.org for the most up-to-date schedules, including Prairie Public's multicast schedules. Programming may change with little or no notice. Programs are listed in Central Time.

Prairie Public local television productions are highlighted in blue.

1 Tuesday

7:00 **Great Performances** *From Vienna: The New Year's Celebration 2013* ǎ
8:30 **Great Performances** *Broadway Musicals: A Jewish Legacy* ǎǎ
10:00 **Are You Being Served?** ǎǎ
10:30 **Nightly Business Report**
11:00 Charlie Rose
Midnight Tavis Smiley
12:30 Asia Biz Forecast

2 Wednesday

7:00 **Nature** *Broken Tail: A Tiger's Last Journey* ǎǎ
8:00 NOVA *Doomsday Volcanoes* ǎǎ
9:00 **Life on Fire** *Icelandic Volcanoes* ǎǎ
10:00 **Are You Being Served?** ǎǎ
10:30 **Nightly Business Report**
11:00 Charlie Rose
Midnight Tavis Smiley
12:30 **Inside E Street** ǎ

3 Thursday

7:00 **This Old House Hour** ǎ
8:00 **Doc Martin** ǎǎ
9:00 **The Aviators** ǎ
9:30 **Bluegrass Underground** ǎǎ
10:00 **Are You Being Served?** ǎǎ
10:30 **Nightly Business Report**
11:00 Charlie Rose
Midnight Tavis Smiley
12:30 **Scully/The World Show**

4 Friday

7:00 **Washington Week**
7:30 **Prairie Pulse** *The Arts Partnership Executive Director Dayna Del Val* ǎ
8:00 **Great Performances** *Paul Simon's Graceland Journey* ǎǎ
10:00 **Are You Being Served?** ǎǎ
10:30 **Nightly Business Report**
11:00 Charlie Rose
Midnight Tavis Smiley
12:30 **Inside Washington**

5 Saturday

7:00 **Globe Trekker** *Bangladesh* ǎǎ
8:00 **Yes, Minister** ǎǎ
8:30 **After You've Gone** ǎǎ
9:00 **Keeping Up Appearances** ǎǎ
9:30 **My Family** ǎǎ

11:00 Charlie Rose
Midnight Tavis Smiley
12:30 **Scully/The World Show**

11 Friday

7:00 **Washington Week**
7:30 **Prairie Pulse** *ND Farm Bureau President Jeff Missling* ǎ
8:00 **A Conversation with ND U.S. Senator Kent Conrad** ǎ
8:30 **Prairie Musicians** *Keri Noble* ǎ
9:00 **Prairie Musicians** *The Riffs* ǎ
9:30 **Prairie Mosaic** *Bonsai Artist Lloyd Harding, Phelps Mill, Artist Brad Bachmeier, The Fargo Moorhead Jazz Arts Big Band, and a segment from Key Ingredients* ǎ
10:00 **Are You Being Served?** ǎǎ
10:30 **Nightly Business Report**
11:00 Charlie Rose
Midnight Tavis Smiley
12:30 **Inside Washington**

12 Saturday

7:00 **Globe Trekker** *East Texas* ǎǎ
8:00 **Yes, Minister** ǎǎ
9:00 **Keeping Up Appearances** ǎǎ
9:30 **My Family** ǎǎ
10:00 **EastEnders** ǎǎ
11:00 **Austin City Limits** *Rodrigo Y Gabriela* ǎǎ
Midnight **To the Contrary with Bonnie Erbe**
12:30 **John McLaughlin's One on One**

13 Sunday

7:00 **Lawrence Welk Show** *Top Songs from Broadway Musicals* ǎ
8:00 **Arts & The Mind** ǎ
9:00 **Masterpiece Classic** *Downton Abbey, Season 3 (part 2 of 7)* ǎǎ
10:00 **Broadway: The American Musical** *Oh, What a Beautiful Mornin' (1943-1960)* ǎǎ
11:00 **EastEnders** ǎǎ
Midnight **Washington Week**
12:30 **Prairie Pulse** *ND Farm Bureau President Jeff Missling* ǎ

14 Monday

7:00 **Antiques Roadshow** ǎ
8:00 **Market Warriors** ǎǎ
9:00 **Independent Lens** *Soul Food Junkies* ǎǎ
10:00 **Are You Being Served?** ǎǎ
10:30 **Nightly Business Report**
11:00 Charlie Rose
Midnight Tavis Smiley
12:30 **Religion & Ethics Newsweekly**

15 Tuesday

7:00 **Mother Nature in Charge: The Devils Lake Dilemma** ǎ
8:00 **The Abolitionists: American Experience 1838-1854** ǎǎ

10:00 EastEnders PĜ.
11:00 Austin City Limits *Jack White* PĜ
Midnight To the Contrary with Bonnie Erbe
12:30 John McLaughlin's One on One

6 Sunday

7:00 Lawrence Welk Show *Movie Songwriters with Henry Mancini* Ğ
8:00 Secrets of Highclere Castle Ğ
9:00 Masterpiece Classic *Downton Abbey, Season 3* (part 1 of 7) PĜ
11:00 EastEnders PĜ.
Midnight Washington Week
12:30 *Prairie Pulse* *The Arts Partnership Executive Director Dayna Del Val* Ğ

7 Monday

7:00 Antiques Roadshow Ğ
8:00 Market Warriors PĜ
9:00 POV *Reportero* PĜ
10:00 Are You Being Served? PĜ.
10:30 Nightly Business Report
11:00 Charlie Rose
Midnight Tavis Smiley
12:30 Religion & Ethics Newsweekly

8 Tuesday

7:00 *North Dakota State of the State 2013 Governor Address and Democrat Response*
8:00 The Abolitionists: American Experience 1820-1838 PĜ.
9:00 Frontline *The Education of Michelle Rhee*
10:00 Are You Being Served? PĜ.
10:30 Nightly Business Report
11:00 Charlie Rose
Midnight Tavis Smiley
12:30 Asia Biz Forecast

9 Wednesday

7:00 Nature *Cuba: The Accidental Eden* Ğ
8:00 *Prairie Mosaic* *Icelandic State Park near Cavalier, Artist on Main in Roseau, Conductor Christopher Zimmerman, Rosemauling, and The Midnight Noise Orchestra* Ğ
8:30 Mel Leipzig: Everything is Paintable PĜ
9:00 Resolana: Voice of the People Ğ
9:30 *Prairie Musicians* *The Wood Picks* Ğ
10:00 Almanac: At the Capitol
10:30 Nightly Business Report
11:00 Charlie Rose
Midnight Tavis Smiley
12:30 Inside E Street Ğ

10 Thursday

7:00 This Old House Hour Ğ
8:00 Doc Martin PĜ
9:00 The Aviators Ğ
9:30 Bluegrass Underground PĜ
10:00 Are You Being Served? PĜ.
10:30 Nightly Business Report

9:00 Frontline *Inside Obama's Presidency*
10:00 Are You Being Served? PĜ.
10:30 Nightly Business Report
11:00 Charlie Rose
Midnight Tavis Smiley
12:30 Asia Biz Forecast

16 Wednesday

7:00 Racing the Rez Ğ
8:00 Life on Fire *Volcano Doctors* PĜ
9:00 Life on Fire *The Surprise Salmon* PĜ
10:00 Almanac: At the Capitol
10:30 Nightly Business Report
11:00 Charlie Rose
Midnight Tavis Smiley
12:30 Inside E Street Ğ

17 Thursday

7:00 This Old House Hour Ğ
8:00 Doc Martin PĜ
9:00 The Aviators Ğ
9:30 Bluegrass Underground PĜ
10:00 Are You Being Served? PĜ.
10:30 Nightly Business Report
11:00 Charlie Rose
Midnight Tavis Smiley
12:30 Scully/The World Show

18 Friday

7:00 Washington Week
7:30 *Prairie Pulse* *Bob Wefald, USS North Dakota* Ğ
8:00 *North Dakota Legislative Review 2013*
8:30 *Prairie Musicians* *Dakota Air* Ğ
9:00 *Prairie Musicians* *Ogg Creek* Ğ
9:30 Collision Course: Teen Addiction Epidemic ĩ
10:00 Keeping Up Appearances PĜ.
10:30 Nightly Business Report
11:00 Charlie Rose
Midnight Tavis Smiley
12:30 Inside Washington

19 Saturday

7:00 Globe Trekker *Food Hour: Morocco* PĜ
8:00 Yes, Prime Minister PĜ.
8:30 After You've Gone PĜ.
9:00 Keeping Up Appearances PĜ.
9:30 My Family PĜ.
10:00 EastEnders PĜ.
11:00 Austin City Limits *Norah Jones/Kat Edmonson* PĜ
Midnight To the Contrary with Bonnie Erbe
12:30 John McLaughlin's One on One

20 Sunday

7:00 Lawrence Welk Show *200 Years of American Music* Ğ
8:00 Arts & The Mind PĜ

Get your imaginations in gear

Prairie Public is hosting the **PBS Kids Writers Contest** to promote reading and writing skills through hands-on, active learning. Children in grades K-3 can submit



their own original stories and illustrations, and every child who participates receives a certificate of participation!

Visit prairiepublic.org

to find the contest rules and entry forms! The deadline for submissions is April 5.

9:00 Masterpiece Classic *Downton Abbey, Season 3* (part 3 of 7) P-G

10:00 Broadway: The American Musical
Tradition (1957-1979) P-G

11:00 EastEnders P-G

Midnight Washington Week

12:30 Prairie Pulse *Bob Wefald, USS North Dakota* G

21 Monday

7:00 Antiques Roadshow G

8:00 Market Warriors P-G

9:00 Independent Lens *Beauty is Embarrassing* P-G

10:00 Keeping Up Appearances P-G

10:30 Nightly Business Report

11:00 Charlie Rose

Midnight Tavis Smiley

12:30 Religion & Ethics Newsweekly

22 Tuesday

7:00 Pioneers of Television *Funny Ladies* P-G

8:00 The Abolitionists: American Experience
1854-Emancipation and Victory P-G

9:00 Frontline *The Untouchables*

10:00 Keeping Up Appearances P-G

10:30 Nightly Business Report

11:00 Charlie Rose

Midnight Tavis Smiley

12:30 Asia Biz Forecast

23 Wednesday

7:00 Nature *Attenborough's Life Stories: Life on Camera* P-G

8:00 NOVA *Rise of the Drones* P-G

9:00 Life on Fire *Phoenix Temple* P-G

10:00 Almanac: At the Capitol

10:30 Nightly Business Report

11:00 Charlie Rose

Midnight Tavis Smiley

12:30 Inside E Street G

24 Thursday

7:00 This Old House Hour G

8:00 Doc Martin P-G

9:00 The Aviators G

9:30 Bluegrass Underground P-G

10:00 Keeping Up Appearances P-G

10:30 Nightly Business Report

11:00 Charlie Rose

Midnight Tavis Smiley

30 Wednesday

7:00 Nature *Attenborough's Life Stories:*

Understanding the Natural World P-G

8:00 NOVA *Who Killed Lindbergh's Baby?* G

9:00 Life on Fire *Ash Runners* P-G

10:00 Almanac: At the Capitol

10:30 Nightly Business Report

11:00 Charlie Rose

Midnight Tavis Smiley

12:30 Inside E Street G

31 Thursday

7:00 This Old House Hour G

8:00 Doc Martin P-G

9:00 The Aviators G

9:30 Bluegrass Underground P-G

10:00 Keeping Up Appearances P-G

10:30 Nightly Business Report

11:00 Charlie Rose

Midnight Tavis Smiley

12:30 Scully/The World Show

» LOOKING FORWARD TO FEBRUARY

1 Friday

7:00 Washington Week

7:30 Prairie Pulse

8:00 North Dakota Legislative Review

8:30 Shakespeare Uncovered

2 Saturday

7:00 Globe Trekker

8:00 Yes, Prime Minister

8:30 After You've Gone

9:00 Keeping Up Appearances

9:30 My Family

3 Sunday

7:00 Lawrence Welk Show

8:00 Frank Lloyd Wright's Boynton House:

The Next Hundred Years

9:00 Masterpiece Classic

Overnight Schedule

Programs are listed in Central Time.

The Abolitionists: American Experience

1/10, 1/17, 1/24, 2 a.m.

American Woodshop Sundays, 6:30 a.m.

Antiques Roadshow Wednesdays, 1 a.m.,
except 1/2

Austin City Limits Sundays, 4 a.m.

The Aviators Saturdays, Mondays, 3 a.m.

12:30 Scully/The World Show

25 Friday

7:00 Washington Week

7:30 **Prairie Pulse** *UND Aviation Professor Dr. Alan Frazier* ǻ

8:00 **North Dakota Legislative Review 2013**

8:30 **Shakespeare Uncovered** *Macbeth with Ethan Hawke* ǻ

9:30 **Shakespeare Uncovered** *The Comedies with Joely Richardson* ǻ

10:30 **Nightly Business Report**

11:00 **Charlie Rose**

Midnight **Tavis Smiley**

12:30 **Inside Washington**

26 Saturday

7:00 **Globe Trekker** *Spanish Islands* ǻ

8:00 **Yes, Prime Minister** ǻ.

8:30 **After You've Gone** ǻ.

9:00 **Keeping Up Appearances** ǻ.

9:30 **My Family** ǻ.

10:00 **EastEnders** ǻ.

11:00 **Austin City Limits** *Bob Mould/Delta Spirit* ǻ

Midnight **To the Contrary with Bonnie Erbe**

12:30 **John McLaughlin's One on One**

27 Sunday

7:00 **Lawrence Welk Show** *Memories of Nat "King" Cole* ǻ

8:00 **Grab** ǻ

9:00 **Masterpiece Classic** *Downton Abbey, Season 3 (part 4 of 7)* ǻ

10:00 **Broadway: The American Musical** *Putting it Together (1980–Present)* ǻ

11:00 **EastEnders** ǻ.

Midnight **Washington Week**

12:30 **Prairie Pulse** *UND Aviation Professor Dr. Alan Frazier* ǻ

28 Monday

7:00 **Antiques Roadshow** ǻ

8:00 **Market Warriors** ǻ

9:00 **Senator Kent Conrad** ǻ

10:00 **Keeping Up Appearances** ǻ.

10:30 **Nightly Business Report**

11:00 **Charlie Rose**

Midnight **Tavis Smiley**

12:30 **Religion & Ethics Newsweekly**

29 Tuesday

7:00 **Pioneers of Television** *Primetime Soaps* ǻ

8:00 **Henry Ford: American Experience** ǻ.

10:00 **Keeping Up Appearances** ǻ.

10:30 **Nightly Business Report**

11:00 **Charlie Rose**

Midnight **Tavis Smiley**

12:30 **Asia Biz Forecast**

Bluegrass Underground Saturdays, Mondays, 3:30 a.m.

Broadway: The American Musical 1/15, 1/22, 1/29, 3 a.m.

Doc Martin Saturdays, Mondays, 2 a.m.

European Journal Sundays, 1 a.m.

Fort Niagara: The Struggle for a Continent 1/2, 4:30 a.m.

Frontline 1/10, 1/17, 1/24, 3 a.m.

Globe Trekker Sundays, 3 a.m.

Great Performances *From Vienna: The New Year's Celebration 2013* 1/3, 1 a.m.; *Broadway Musicals: A Jewish Legacy* 1/3, 2:30 a.m.

Henry Ford: American Experience 1/31, 2 a.m.

Ideas in Action with Jim Glassman Sundays, 1:30 a.m.

Independent Lens 1/16, 1/23, 3 a.m.

Inside Washington Sundays, 2 a.m.

Lawrence Welk Show Tuesdays, 1 a.m.

Life on Fire 1/4, 1/18, 1/25, 3 a.m.; 1/18, 2 a.m.

Live from Lincoln Center *One Singular Sensation: Celebrating Marvin Hamlisch* 1/2, 3 a.m.

Market Warriors Wednesdays, 2 a.m., except 1/2

Masterpiece Classic *Downton Abbey* Tuesdays, 2 a.m.; 1/02, 1 a.m.

McLaughlin Group Sundays, 2:30 a.m.

Mel Leipzig: Everything is Paintable 1/11, 2:30 a.m.

Mother Nature in Charge: The Devils Lake Dilemma 1/17, 1 a.m.

My Generation Sundays, 5 a.m.

Nature Fridays, 1 a.m., except 1/18

Need To Know Mondays, 1 a.m.

Nightly Business Report Saturdays, 5 a.m.
North Dakota State of the State—2013 1/10, 1 a.m.

NOVA 1/4, 1/25, 2 a.m.

P. Allen Smith's Garden to Table Sundays, 5:30 a.m.

Painting with Paulson Sundays, 6 a.m.

The PBS NewsHour Tuesday-Saturday, 4 a.m., except 1/2

Pioneers of Television 1/24, 1/31, 1 a.m.

POV 1/9, 3 a.m.

Prairie Mosaic 1/11, 2 a.m.

Prairie Musicians 1/11, 3:30 a.m.

Racing the Rez 1/18, 1 a.m.

Resolana: Voice of the People 1/11, 3 a.m.

Senator Kent Conrad 1/30, 3 a.m.

Tavis Smiley Saturdays, 5:30 a.m.

This Old House Hour Saturdays, 1 a.m.; Mondays, 4 a.m.

The Truth About Money with Ric Edelman Mondays, 1:30 a.m.

January Daytime Television Programs

Saturdays

6:00 a.m. NOVA except 1/12
 7:00 Overheard with Evan Smith ☞
 7:30 McLaughlin Group
 8:00 Consuelo Mack Wealthtrack
 8:30 Inside E Street ☞
 9:00 Cook's Country from
 America's Test Kitchen ☞
 9:30 Martha Stewart's Cooking School ☞
 Joanne Weir's Cooking Confidence
 begins 1/26
 10:00 The Cooking Odyssey ☞
 10:30 Pati's Mexican Table ☞
 11:00 Lidia's Italy in America ☞
 11:30 Taste This! ☞
 noon Market to Market
 12:30 Almanac
 1:30 Beads, Baubles and Jewels ☞
 2:00 Sewing with Nancy ☞
 2:30 Quilting Arts ☞
 3:00 American Woodshop ☞
 3:30 Painting with Paulson ☞
 4:00 P. Allen Smith's Garden to Table ☞
 4:30 My Generation ☞
 5:00 Prairie Pulse ☞
 5:30 Innerviews with Ernie Manouse ☞ (1/5)
 5:30 A Conversation with ND
 U.S. Senator Kent Conrad (1/12)
 5:30 North Dakota Legislative Review 2013
 begins 1/19
 6:00 This Old House Hour ☞

Sundays

7:00 a.m. Sesame Street ♣
 8:00 Bob the Builder ♣
 8:30 Raggs ♣
 9:00 Angelina Ballerina: The Next Steps ♣
 Wild Animal Baby Explorers begins 1/20
 9:30 Thomas & Friends ♣
 10:00 Martha Speaks ♣
 10:30 Anne of Green Gables:
 The Animated Series ☞
 11:00 Enviropals! ☞
 11:30 The Electric Company ♣
 noon Curiosity Quest ☞ SciGirls begins 1/20
 12:30 My Generation ☞
 1:00 Second Opinion ☞
 1:30 Katie Brown Workshop ☞ except 1/20
 1:30 Great Performances at the Met
L'Elisir d'Amore ☞ (1/20) (2½ hrs)
 2:00 Growing Bolder ☞ (1/13, 1/27)
 2:00 That's All: Johnny and
 His Musical Mates ☞ (1/6) (1 hr)
 2:30 Minnesota Original ☞ (1/13, 1/27)
 3:00 Globe Trekker ☞ except 1/20
 4:00 Doc Martin ☞
 5:00 Moyers & Company
 6:00 Antiques Roadshow ☞

Weekdays

5:00 a.m. Prairie Public Instructional Resources
 (PPIR)
 6:30 Martha Speaks ♣

7:00 Curious George ♣
 7:30 The Cat in the Hat Knows
 A Lot About That! ♣
 8:00 Super Why! ♣
 8:30 Dinosaur Train ♣
 9:00 Sesame Street ♣
 10:00 Daniel Tiger's Neighborhood ♣
 10:30 Sid the Science Kid ♣
 11:00 WordWorld ♣
 11:30 Barney & Friends ♣
 noon Peep and the Big Wide World/Pocoyo ♣
 12:30 Clifford the Big Red Dog ♣
 1:00 Caillou ♣
 1:30 Fetch! With Ruff Ruffman ♣
 2:00 Cyberchase ♣
 2:30 Maya & Miguel ♣
 3:00 Arthur ♣
 3:30 WordGirl ♣
 4:00 Wild Kratts ♣
 4:00 Wild Kratts: Lost at Sea ♣ (1/21) (1 hr)
 4:30 The Electric Company ♣ except 1/21
 5:00 BBC World News America
 5:30 PBS NewsHour
 6:30 Are You Being Served? ☞
 Keeping Up Appearances begins 1/18

Symbol Key

☞ General audience
 ♣ Suitable for all children
 ♣ Directed to children age 7 and older
 ☞ Parental guidance suggested

Enjoy a Sunday afternoon at The Met



Take a front-row seat for a new production of Italian composer Gaetano Donizetti's great comic opera—*L'Elisir d'Amore*. Anna Netrebko stars as the fickle Adina, and Matthew Polenzani plays her besotted Nemorino as **Great Performances at the Met** presents Bartlett Sher's new treatment of the *melodramma giocoso*. Mariusz Kwiecien is the blustery sergeant Belcore, and Ambrogio Maestri is Dulcamara, the loveable quack and dispenser of the elixir (pictured here with Adina). Maurizio Benini conducts. *Tune in Sunday, January 20, at 1:30 p.m. (CT)*

AARP
aarp.org/states/nd

Abbey Antiques & Art
abbeyant@mts.net

Altru Health System
www.altru.org

Avant Hair &
Skin Care Studio
avanthair.com

Bartlett & West Engineers
bartwest.com

Basin Electric
Power Cooperative
becpc.com

Benedictine Health System
bhshealth.org

Best Western Ramkota Hotel
bestwestern
northdakota.com

Bethany Retirement Living
bethanynd.org

Bismarck-Mandan
Civic Chorus
www.bismanchorus.com

Bismarck State College
www.bismarckstate.edu

Blue Cross Blue Shield
of North Dakota
bcbsnd.com

Bremer Bank
www.bremer.com

Calm Air
calmair.com

Charterhouse Hotel
bwcharterhouse.com

Dan's SuperMarket
dansupermarket.com

DFC Consultants
dfcconsultants.com

DIY Wood Studio
www.diywoodstudio.com

EAPC Architects Engineers
eapc.net

Edward Jones
edwardjones.com

Elim Rehab & Care Center
elimcare.org

Eventide
eventide.org

Family Vision Clinic
familyvision.
bismarck.com

Family Wellness
www.familywellnessfargo.com

Fargo Psychiatric Clinic
fargopsychiatry.com

The Fort Garry Hotel
www.fortgarryhotel.com

Frontier Americana
frontieramericanaoffargo.com

Gate City Bank
gatecitybank.com

Great River Energy
greatriverenergy.com

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heartnd.com

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Holiday Inn of Fargo
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hornbachers.com

Hotel Donaldson
hoteldonaldson.com

Humphry Inn & Suites
www.humphryinn.com

Inn at the Forks
innforks.com

J&R Vacuum
& Sewing Center
www.jrsewfun.com

Jade Presents
jadepresents.com

KMG Gold
www.kmggold.com

Knight Printing
knightprinting.com

Law Firm of Leonard, Street
and Deinard
www.leonard.com

Logix
www.logixicf.com

The Manitoba Opera
www.manitobaopera.mb.ca

Mike's Pizza & Pub
East Grand Forks, MN

Minot State University
minotstateu.edu

Minuk Denture Clinic
www.minuksmile.com

Mojo Creative Brand Design
brandmojo.biz

ND Association of RECs
ndarec.com

ND Living Magazine
ndarec.com

NDSU Fine Arts
www.ndsu.edu/finearts

NDSU Memorial Union
Gallery
ndsu.edu/mu/programs/
gallery

Neil Bardal Funeral Centre
nbardal.mb.ca

Nilles Law
nilleslaw.com

Nodak Mutual
Insurance Company
nodakmutual.com

North Dakota Council
on the Arts
www.nd.gov/arts/

North Dakota
Education Association
www.ndea.org

North Dakota Wheat
Commission
www.ndwheat.com

Otter Tail Power Co.
www.otpc.com

Park Christian School
parkchristianschool.org

Prairie Stained Glass Ltd
praiestainedglass.mb.ca

Retina Consultants. Ltd.
877-503-0251

Rhombus Guys
rhombuspizza.com

Roberts Floral & Gifts
www.robertsfloral.com

Rotary District 5580
www.clubrunner.ca

Sharehouse
www.sharehouse.org

Sound Hearing Solutions
info@soundhearingolutions

The Spence Law Firm
spencelawyersnd.com

Spirit Room
spitroom.net

St. Alexius Medical Center
st.alexius.org

St. John's Ravenscourt
sjr.mb.ca

Stained Glass Workshop
stainedglassfargo.com

Sutton Smithworks
www.winnipegcustomjeweler.com

Drs. Tanabe, Olson, Korsmo
& Badger
drtanabe.com

True North Sports
& Entertainment Ltd
struenorth.mb.ca

United Tribes
Technical College
uttc.edu

University of Manitoba—
Asper School of Business
umanitoba.ca/asper/mba

Valley Imports
valleyimports.net

Victor Lundeen Company
victorlundeens.com

Vogel Law Firm
vogellaw.com

West Acres Development
westacres.com

Widmer Roel PC
widmerroelcpa.com

The Winnipeg Art Gallery
wag.ca

The Winnipeg Railway
Museum
www.wpgrrailwaymuseum.com

Winnipeg Richardson
International Airport
waa.ca

Winnipeg Symphony
Orchestra
www.wso.ca

Xcel Energy Foundation
xcelenergy.com

Zuger Kirmis & Smith
www.zkslaw.com

Sponsor Spotlight



KMG Gold Recycling, proud sponsors of Antiques Roadshow and Market Warriors on Prairie Public, buys scrap gold, silver, platinum, and palladium, sterling and coins, and turns it into money. KMG Gold has locations in Winnipeg and Grand Forks. Learn more online at kmggold.com.

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Show your support during our radio Short and Sweet Membership Drive!

Do it for the love of public radio at prairiepublic.org/sweet or 800-359-6900.

Listen January 30-February 2

Contribute \$120 or more, and we'll thank you by sending a beautiful box (or boxes) of chocolate truffles to anyone on your Valentine list!

Let us deliver truffles to your sweetheart, your mother or father, your child away at college—everyone on your list! And we'll include a personalized message from you.

WAVES



A program guide for members of **Prairie Public Broadcasting**
February 2013



In 1982, Judge Bruce Van Sickle issued a series of orders that changed how North Dakota cares for its citizens with developmental disabilities. Hundreds of children and adults left the overcrowded institutions in San Haven and Grafton to find homes in communities across the state.

Thirty years later, Prairie Public is reviewing the historical context and investigating the outcome of that reformation. **I Am A Person** talks with the people who have been most affected by the change—to explore what is possible when people with developmental disabilities are provided with the care they need to live full and happy lives, and to build awareness about how they contribute to their communities through their work and social capital.

**Tune in Wednesday, February 20,
at 8:00 p.m. (CT)**

Radio Features

There may still be time for us to deliver chocolate truffles to your Valentine! Contribute \$120 or more during our **Short and Sweet Membership Drive**, and that's how we'll thank you! The deadline for participation is February 2. Call 800-359-6900.



Do you have a digital radio yet? You might want to try it. With a digital or "HD" radio, you'll receive all of Prairie Public's program streams and improved audio quality. Digital radios are available at most electronics stores, and they are standard in many new cars.

ND Legislative Review will continue throughout the session with radio reports Thursdays at 6:35 p.m. and television reports Fridays at 8:00 p.m. and Saturdays at 5:30 p.m. (CT).



HEAR IT NOW

Tune in to **Hear It Now** on Monday, February 25, at 3:00 p.m. (CT) to get motivated for spring! Horticulturist Ron Smith will be in the studio to take your questions—he's a listener favorite!



Dakota Air: The Radio Show will perform live on Saturday, February 16, in Grand Forks. Visit dakotaairtheradioshow.com for show details or to listen online to past shows.

ALL THINGS CONSIDERED

from NPR®NEWS



Get to know the faces of NPR

All Things Considered is a team effort, delivering compelling analysis, insightful commentaries, and interviews from NPR and the Prairie Public news team daily at 4:00 p.m. (CT). And it's an ever-changing program—adjusting daily to meet the needs of listeners and to keep perspectives fresh. Get to know these NPR reporters—some of whom are shifting roles to keep perspectives fresh.

Robert Siegel is senior host of **All Things Considered**. With 40 years of experience working in radio news, Siegel is still at it hosting the country's most-listened-to, afternoon-drive-time news radio program and reporting on stories and happenings all over the globe.

Melissa Block is a 26-year veteran of NPR and has been hosting **All Things Considered** since 2003, after nearly a decade as an NPR correspondent.

Michele Norris has a new role as a Host/Special Correspondent at NPR. She'll produce signature profiles of leaders in politics, pop culture, and business. During a recent sabbatical, Michele developed NPR's *Backseat Book Club* and *The Race Card Project*, which she created to foster a wider conversation about race after her 2010 family memoir, *The Grace of Silence*, was published. She will continue this work while producing in-depth segments for all NPR programs.

With Michele taking on this new role, Audie Cornish will step in permanently as NPR's **All Things Considered** host. Audie's experience on Capitol Hill made her an especially valuable presence covering the 2012 election. Now, as a welcome and familiar voice to listeners, she rounds out the host lineup with Robert Siegel and Melissa Block.

In turn, Rachel Martin will stay on as host of **Weekend Edition Sunday**. Before she began hosting, Rachel was our National Security Correspondent and draws on a decade of experience reporting all over the world.

Where's the Radio Schedule? Find Prairie Public's radio broadcast schedules for your area online at www.prairiepublic.org/radio, or call 800-359-6900 and we'll be happy to send a printed copy.

Member News



Investors Circle Support

We extend our appreciation to new and renewing members of Investors Circle. These donors have demonstrated significant annual support for public media in our region. In this issue of WAVES, we recognize gifts received October 1–December 31, 2012.

Gold Investors \$5,000 to \$9,999

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Pauline Wood Steiman
Ken and Nola Storm
Susan and Bob Wefald

Endowment Support

We thank the following individuals for generous gifts to Prairie Public's endowment fund.

Anonymous (2)
John and Kathleen Risch

Bequests

The following have honored Prairie Public with gifts in their estates. With deep regard, we remember these friends for their special commitment to sustaining Prairie Public for future generations.

Estate of Alice L. Marks
Estate of Perry J. Ross

Tributes

Prairie Public recognizes gifts in memory and in honor of others. This month, we gratefully acknowledge the following:

Daniel and Tracy Christen
In memory of Patricia Darling
Lori C. Endress
In memory of
Robert L. Woolner
Karen L. Hasskamp
In memory of Kenneth A. Smith
Norman Larsen and Linda Perry
In memory of
Norman Sundstrom

At Your Service

Your gift to Prairie Public helps us qualify for matching grants from sources including the National Endowment for the Humanities. When you renew your membership or give an additional gift, it is often matched dollar-for-dollar by these grants.

We value your membership in Prairie Public and strive to provide you with excellent service. Switchboard hours at Prairie Public are **Monday–Friday, 8 a.m. to 5 p.m.** (CT). After hours, you may leave a message and your call will be returned. Call us at **701-241-6900** or **800-359-6900**. Fax us at **701-239-7650** or use a TTY in North Dakota at **800-366-6888**. E-mail your questions and comments to info@prairiepublic.org and find Prairie Public on the Web at www.prairiepublic.org

Scan this code with your SmartPhone to visit this month's featured site!

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www.pbs.org/wgdt/masterpiece/sweepstakes/

A membership investment of \$35 or more entitles you to a one-year subscription to **WAVES**. If you do not wish to receive this publication, please notify us. Contributions are tax deductible. Tax receipts are mailed in January. In accordance with North Dakota gaming regulations, Prairie Public Broadcasting's financial gaming records are available for review to the public. Prairie Public Broadcasting is an Equal Opportunity Provider.



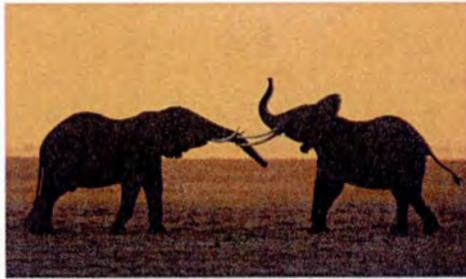
Prairie Public Broadcasting is a member of the Public Broadcasting Service, a private, nonprofit corporation. PBS provides quality television programming and related services to Prairie Public Broadcasting. Prairie Public is also a member of NPR, a network owned by its member stations.

February Television

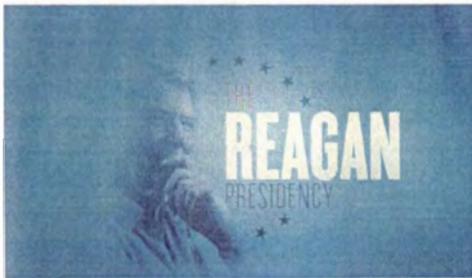


Visit the front lines of America's debate over the future of its middle class—a debate that has become a pitched battle in the

normally tranquil state of Wisconsin. As *Goes Janesville*, a film from **Independent Lens**, spends three years documenting the lives of laid-off workers, business leaders, and a state senator caught in the middle. *New! Monday, February 4, 9:00 p.m. (CT)*



The elephant, Earth's most charismatic and majestic land animal, today faces market forces driving the value of its tusks to levels once reserved for gold. **Battle for the Elephants**, a groundbreaking National Geographic special, goes undercover to expose the criminal network behind ivory's supply and demand. *New! Wednesday, February 27, 9:00 p.m. (CT)*



The Reagan Presidency, a three-part series, is a complex, thoroughly researched portrait of the nation's 40th president and relives the Iran-Contra affair, the end of the Cold War, runaway inflation, the air traffic controller strike of 1981, the Lebanese Civil War, and the invasion of Granada, among other topics. *New! Mondays at 9:00 p.m. (CT), beginning February 11*



Enjoy *Ring Them Bells!*, a special concert from **Live from Lincoln Center's 2013 American Songbook** series celebrating the legendary songwriting

duo of John Kander and Fred Ebb, who wrote "All That Jazz" and "New York, New York." Broadway stars Marin Mazzie and Jason Danieley perform alongside theater legends Joel Grey and Chita Rivera in a review conceived and conducted by Rob Fisher. *New! Friday, February 15, 8:30 p.m. (CT)*



This month, **Pioneers of Television** reveals more intriguing behind-the-scenes stories about the shows that influence the medium today. On

February 5, survey decades of *Superheroes*—including the early years of "Superman" and "Batman." On February 12, recall your favorite *Miniseries*—including "Roots," "The Thorn Birds," and "Rich Man, Poor Man." *New! Tuesdays at 7:00 p.m. (CT)*



Reminisce with us! **That's All: Johnny and His Musical Mates** is back by popular demand. The group entertained Manitoba audiences with old time music for more than sixty years—in Riverton, Arborg, Geysir, Hnausa, Gimli, Hodgson, and Hecla. *Wednesday, February 27, 8:00 p.m. (CT)*

on Highlights



In February on **Prairie Mosaic**, we'll tour the Becker County Historical Society and Museum in Detroit Lakes, meet woodcarver Fred Cogelow, visit an art studio that feels like home, and hear from a musical group that was founded in a pastry shop—Amanda Standalone and the Pastry Shop Girls. *New! Tuesday, February 19, 7:00 p.m. (CT)*



Jazz Icons is a one-hour special that highlights performances culled from 1957-1978 European concerts and studio sessions featuring Louis Armstrong, Duke Ellington, Count Basie, Ella Fitzgerald, Dizzy Gillespie, Dave Brubeck, John Coltrane, Sarah Vaughan, Lionel Hampton, Wes Montgomery, Anita O'Day, Rhassan Roland Kirk, Buddy Rich, and Thelonious Monk. *New! Sunday, February 24, 8:00 p.m. (CT)*



For decades, his name was associated with the feared monopoly, Standard Oil. John D. Rockefeller gave away half his fortune—but even his philanthropy couldn't erase the memory of his predatory business practices. Tune in as **American Experience** profiles *John D. Rockefeller*—the life and legacy of America's first billionaire. *New! Tuesday, February 12, 8:00 p.m. (CT)*



Schools that Change Communities profiles public schools in five states—Massachusetts, Maryland, South Dakota, Oregon and California—that are tackling educational reform at the local level. Educators, students, and residents discuss place- and community-based education, an interdisciplinary approach that emphasizes curiosity-based investigation using the community as a living classroom. *New! Wednesday, February 27, 7:00 p.m. (CT)*



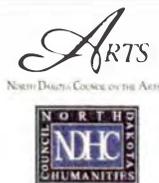
An aging spy stumbles on a scandal that could bring down the British government. But will it bring down his own career first? Bill Nighy stars in **Masterpiece Contemporary's** *Page Eight*, along with Michael Gambon, Ralph Fiennes, and Rachel Weisz, who plays the agent's mysterious next-door neighbor. This gem is written and directed by Sir David Hare, Oscar-nominated adapter of *"The Reader"* and *"The Hours."* *New! Sunday, February 24, 9:00 p.m. (CT)*



The Makers: Women Who Make America recounts the seminal events in the Women's Movement, such as the publication of *"The Feminine Mystique"* in 1963 and the battles to end discriminatory laws and practices. The 3-hour special also tells the stories of women who broke barriers in their own chosen fields—from the coal mines of West Virginia to the boardrooms of Madison Avenue. The documentary is part of a larger project available at makers.com. *New! Tuesday, February 26, 7:00 p.m. (CT)*

Many Prairie Public local television productions are funded in part by the following:

Minnesota Arts & Cultural Heritage Fund with money from the voters on November 4, 2008, North Dakota Council on the Arts, North Dakota Humanities Council, and by the members of Prairie Public. Thank you!



February Prime Time Television Programs

Visit www.prairiepublic.org for the most up-to-date schedules, including Prairie Public's multicast schedules. Programming may change with little or no notice. Programs are listed in Central Time.

Prairie Public local television productions are highlighted in blue.

1 Friday

7:00 Washington Week with Gwen Ifill
7:30 **Prairie Pulse** Author and Comic Book
Artist Steve Ressel ǫ
8:00 **North Dakota Legislative Review 2013**
8:30 **Shakespeare Uncovered** *Richard II* with
Derek Jacobi ǫ
9:30 **Shakespeare Uncovered** *Henry IV &
Henry V* with Jeremy Irons ǫ
10:30 Nightly Business Report
11:00 Charlie Rose
Midnight Tavis Smiley
12:30 Inside Washington

2 Saturday

7:00 **Globe Trekker** *Food Hour: Israel & The
Palestinian Territories* ǫ
8:00 Yes, Prime Minister ǫ.
8:30 After You've Gone ǫ.
9:00 Keeping Up Appearances ǫ.
9:30 My Family ǫ.
10:00 EastEnders ǫ.
11:00 **Austin City Limits** *Tim McGraw* ǫ
Midnight To the Contrary with Bonnie Erbe
12:30 John McLaughlin's One on One

3 Sunday

7:00 Lawrence Welk Show *The Italian Show* ǫ
8:00 Frank Lloyd Wright's Boynton House: The
Next Hundred Years ǫ
9:00 **Masterpiece Classic** *Downton Abbey,
Season 3 (part 5 of 7)* ǫ
10:00 **Space Shuttle Columbia: Mission of
Hope** ǫ
11:00 EastEnders ǫ.
Midnight Washington Week with Gwen Ifill
12:30 **Prairie Pulse** Author and Comic Book
Artist Steve Ressel ǫ

4 Monday

7:00 Antiques Roadshow ǫ
8:00 Market Warriors ǫ
9:00 Independent Lens *As Goes Janesville* ǫ
10:00 Keeping Up Appearances ǫ.
10:30 Nightly Business Report
11:00 Charlie Rose
Midnight Tavis Smiley
12:30 Religion & Ethics Newsweekly

5 Tuesday

7:00 Pioneers of Television *Superheroes* ǫ

9:00 **Masterpiece Classic** *Downton Abbey,
Season 3 (part 6 of 7)* ǫ

11:00 EastEnders ǫ.

Midnight Washington Week with Gwen Ifill

12:30 **Prairie Pulse** Author Michelle Bredeson ǫ

11 Monday

7:00 Antiques Roadshow ǫ
8:00 Market Warriors ǫ
9:00 The Reagan Presidency (part 1 of 3) ǫ
10:00 Keeping Up Appearances ǫ.
10:30 Nightly Business Report
11:00 Charlie Rose
Midnight Tavis Smiley
12:30 Religion & Ethics Newsweekly

12 Tuesday

7:00 Pioneers of Television *Miniseries* ǫ
8:00 John D. Rockefeller: American
Experience ǫ.
10:00 Keeping Up Appearances ǫ.
10:30 Nightly Business Report
11:00 Charlie Rose
Midnight Tavis Smiley
12:30 Asia Biz Forecast

13 Wednesday

7:00 Nature *Cold Warriors: Wolves and Buffalo*
ǫ
8:00 NOVA *Earth From Space* ǫ
10:00 Almanac: At the Capitol
10:30 Nightly Business Report
11:00 Charlie Rose
Midnight Tavis Smiley
12:30 Inside E Street ǫ

14 Thursday

7:00 This Old House Hour ǫ
8:00 Doc Martin ǫ
9:00 The Aviators ǫ
9:30 **Bluegrass Underground** ǫ
10:00 Keeping Up Appearances ǫ.
10:30 Nightly Business Report
11:00 Charlie Rose
Midnight Tavis Smiley
12:30 Scully/The World Show

15 Friday

7:00 Washington Week with Gwen Ifill
7:30 **Prairie Pulse** Author and Motivational
Speaker Jodee Bock ǫ
8:00 **North Dakota Legislative Review 2013**
8:30 Live From Lincoln Center *Ring Them Bells!*
Rob Fisher Celebrates Kander & Ebb ǫ
10:00 Keeping Up Appearances ǫ.
10:30 Nightly Business Report
11:00 Charlie Rose
Midnight Tavis Smiley
12:30 Inside Washington

8:00 Silicon Valley: American Experience PĜ
9:30 Mysterious Lost State of Franklin
10:00 Keeping Up Appearances PĜ.
10:30 Nightly Business Report
11:00 Charlie Rose
Midnight Tavis Smiley
12:30 Asia Biz Forecast

6 Wednesday

7:00 Nature *Attenborough's Life Stories, Our Fragile Planet* PĜ
8:00 NOVA *Building Pharaoh's Chariot* PĜ
9:00 Life on Fire *Pioneers of the Deep* Ğ
10:00 Almanac: At the Capitol
10:30 Nightly Business Report
11:00 Charlie Rose
Midnight Tavis Smiley
12:30 Inside E Street Ğ

7 Thursday

7:00 This Old House Hour Ğ
8:00 Doc Martin PĜ
9:00 The Aviators Ğ
9:30 Bluegrass Underground PĜ
10:00 Keeping Up Appearances PĜ.
10:30 Nightly Business Report
11:00 Charlie Rose
Midnight Tavis Smiley
12:30 Scully/The World Show

8 Friday

7:00 Washington Week with Gwen Ifill
7:30 Prairie Pulse *Author Michelle Bredeson* Ğ
8:00 North Dakota Legislative Review 2013
8:30 Shakespeare Uncovered *Hamlet with David Tennant* PĜ
9:30 Shakespeare Uncovered *The Tempest with Trevor Nunn* PĜ
10:30 Nightly Business Report
11:00 Charlie Rose
Midnight Tavis Smiley
12:30 Inside Washington

9 Saturday

7:00 Globe Trekker *World War II in the Pacific* PĜ
8:00 Yes, Prime Minister PĜ.
8:30 The Cafe PĜ.
9:00 Keeping Up Appearances PĜ.
9:30 My Family PĜ.
10:00 EastEnders PĜ.
11:00 Austin City Limits *Edward Sharpe & The Magnetic Zeroes/Tune-Yards* PĜ
Midnight To the Contrary with Bonnie Erbe
12:30 John McLaughlin's One on One

10 Sunday

7:00 Lawrence Welk Show *Love Songs* Ğ
8:00 Rick Steves Special *Rome, Eternally Engaging* Ğ

16 Saturday

7:00 Globe Trekker *Food Hour: Scandinavia* PĜ
8:00 Yes, Prime Minister PĜ.
8:30 The Cafe PĜ.
9:00 Keeping Up Appearances PĜ.
9:30 My Family PĜ.
10:00 EastEnders PĜ.
11:00 Austin City Limits *Gary Clark Jr./Alabama Shakes* PĜ
Midnight To the Contrary with Bonnie Erbe
12:30 John McLaughlin's One on One

17 Sunday

7:00 Lawrence Welk Show *Mardi Gras* Ğ
8:00 Lifecasters PĜ
9:00 Masterpiece Classic *Downton Abbey, Season 3 (part 7 of 7)* PĜ
11:00 EastEnders PĜ.
Midnight Washington Week with Gwen Ifill
12:30 Prairie Pulse *Author and Motivational Speaker Jodee Bock* Ğ

18 Monday

7:00 Antiques Roadshow Ğ
8:00 Market Warriors PĜ
9:00 The Reagan Presidency (part 2 of 3) Ğ
10:00 Keeping Up Appearances PĜ.
10:30 Nightly Business Report
11:00 Charlie Rose
Midnight Tavis Smiley
12:30 Religion & Ethics Newsweekly

19 Tuesday

7:00 Prairie Mosaic PĜ
7:30 Prairie Musicians *Keri Noble* PĜ
8:00 Guns in America PĜ
9:00 Frontline *Raising Adam Lanza*
10:00 Keeping Up Appearances PĜ.
10:30 Nightly Business Report
11:00 Charlie Rose
Midnight Tavis Smiley
12:30 Asia Biz Forecast

20 Wednesday

7:00 Bones of Turkana PĜ
8:00 I Am A Person Ğ
9:00 NOVA *Mind of a Rampage Killer* PĜ
10:00 Almanac: At the Capitol
10:30 Nightly Business Report
11:00 Charlie Rose
Midnight Tavis Smiley
12:30 Inside E Street Ğ

21 Thursday

7:00 This Old House Hour Ğ
8:00 Doc Martin PĜ
9:00 The Aviators Ğ
9:30 Bluegrass Underground PĜ
10:00 Keeping Up Appearances PĜ.

10:30 Nightly Business Report
11:00 Charlie Rose
Midnight Tavis Smiley
12:30 Scully/The World Show

22 Friday

7:00 Washington Week with Gwen Ifill
7:30 **Prairie Pulse** *Dr. George Bibel,*
Author of "Train Wreck: The Forensics
of Rail Disasters" Ǆ
8:00 **North Dakota Legislative Review 2013**
8:30 **American Masters** *Sister Rosetta Tharpe:*
The Godmother of Rock & Roll Ǆ
9:30 **Out of Order** Ǆ
10:00 **Keeping Up Appearances** Ǆ
10:30 **Nightly Business Report**
11:00 Charlie Rose
Midnight Tavis Smiley
12:30 **Inside Washington**

23 Saturday

7:00 **Globe Trekker** *The Making of Globe*
Trekker Ǆ
8:00 **Yes, Prime Minister** Ǆ
8:30 **The Cafe** Ǆ
9:00 **Keeping Up Appearances** Ǆ
9:30 **My Family** Ǆ
10:00 **EastEnders** Ǆ
11:00 **Austin City Limits**
Esperanza Spalding Ǆ
Midnight To the Contrary with Bonnie Erbe
12:30 **John McLaughlin's One on One**

24 Sunday

7:00 **Lawrence Welk Show** *Salute to*
New York City Ǆ
8:00 **Jazz Icons** Ǆ
9:00 **Masterpiece Contemporary** *Page Eight* Ǆ
11:00 **EastEnders** Ǆ
Midnight Washington Week with Gwen Ifill
12:30 **Prairie Pulse** *Dr. George Bibel,*
Author of "Train Wreck: The Forensics
of Rail Disasters" Ǆ

25 Monday

7:00 **Antiques Roadshow** Ǆ
8:00 **Market Warriors** Ǆ
9:00 **The Reagan Presidency** (part 3 of 3) Ǆ
10:00 **Keeping Up Appearances** Ǆ
10:30 **Nightly Business Report**
11:00 Charlie Rose
Midnight Tavis Smiley
12:30 **Religion & Ethics Newsweekly**

26 Tuesday

7:00 **The Makers: Women Who Make**
America Ǆ
10:00 **Keeping Up Appearances** Ǆ
10:30 **Nightly Business Report**
11:00 Charlie Rose

9:30 **Bluegrass Underground** Ǆ
10:00 **Keeping Up Appearances** Ǆ
10:30 **Nightly Business Report**
11:00 Charlie Rose
Midnight Tavis Smiley
12:30 **Scully/The World Show**

» LOOKING FORWARD TO MARCH

1 Friday

7:00 Washington Week with Gwen Ifill
7:30 **Prairie Pulse**
8:00 **North Dakota Legislative Review 2013**
8:30 **Membership Drive Specials**

2 Saturday

7:00 **Membership Drive Specials**

3 Sunday

7:00 **Membership Drive Specials**

Overnight Schedule

Programs are listed in Central Time.

American Woodshop Sundays, 6:30 a.m.
Antiques Roadshow Wednesdays, 1 a.m.
Austin City Limits Sundays, 4 a.m.
The Aviators Saturdays, Mondays, 3 a.m.
Bluegrass Underground Saturdays,
Mondays, 3:30 a.m.
Bones of Turkana 2/22, 1 a.m.
Doc Martin Saturdays, Mondays, 2 a.m.
European Journal Sundays, 1 a.m.
Frank Lloyd Wright's Boynton House:
The Next Hundred Years 2/5, 3 a.m.
Frontline *Raising Adam Lanza* 2/21, 3 a.m.
Globe Trekker Sundays, 3 a.m.
Guns in America 2/21, 2 a.m.
I Am A Person 2/22, 2 a.m.
Ideas in Action with Jim Glassman
Sundays, 1:30 a.m.
Independent Lens 2/6, 3 a.m.
Inside Washington Sundays, 2 a.m.
John D. Rockefeller: American Experience
2/14, 2 a.m.
The Lawrence Welk Show Tuesdays, 1 a.m.
Life on Fire 2/1, 2/8, 3 a.m.
The Makers: Women Who Make America
2/28, 1 a.m.
Market Warriors Wednesdays, 2 a.m.
Masterpiece Classic *Downton Abbey* 2/5,
2/12, 2/19, 2 a.m.
Masterpiece Contemporary *Page Eight*
2/26, 2 a.m.
McLaughlin Group Sundays, 2:30 a.m.
My Generation Sundays, 5 a.m.
Mysterious Lost State of Franklin 2/7,
3:30 a.m.
Nature Fridays, 1 a.m., except 2/22
Need To Know Mondays, 1 a.m.
Nightly Business Report Saturdays, 5 a.m.

Midnight Tavis Smiley
12:30 Asia Biz Forecast

27 Wednesday

7:00 Schools That Change Communities ǎ
8:00 That's All: Johnny and His Musical Mates ǎ
9:00 Battle for the Elephants ǎ
10:00 Almanac: At the Capitol
10:30 Nightly Business Report
11:00 Charlie Rose
Midnight Tavis Smiley
12:30 Inside E Street ǎ

28 Thursday

7:00 This Old House Hour ǎ
8:00 Fargo Film Festival Preview Show 2013 ǎ
8:30 To Be Announced
9:00 The Aviators ǎ

NOVA Fridays, 2 a.m., except 2/22, 3 a.m.
P. Allen Smith's Garden to Table Sundays, 5:30 a.m.

Painting with Paulson Sundays, 6 a.m.
The PBS NewsHour Tuesday-Saturday, 4 a.m.
Pioneers of Television 2/7, 2/14, 1 a.m.
Prairie Mosaic 2/21, 1 a.m.
Prairie Musicians 2/21, 1:30 a.m.
The Reagan Presidency 2/13, 2/20, 2/27, 3 a.m.
Silicon Valley: American Experience 2/7, 2 a.m.
Tavis Smiley Saturdays, 5:30 a.m.
This Old House Hour Saturdays, 1 a.m.; Mondays, 4 a.m.
The Truth About Money with Ric Edelman Mondays, 1:30 a.m.

170,000,000

Americans who watch, listen, and connect with public television and radio every month

138,000,000

Videos streamed of PBSKids content across all platforms each month

40,000,000

Viewers, more than a quarter of all United States households, who tuned in to watch arts programming on PBS in the fall of 2011 alone

26,000,000

Listeners who tune in for NPR programs and newscasts each week

12,800,000

Children who use *PBSKids.org*

12,500,000

Total number of viewers who saw **NOVA Fabric of the Cosmos**, an exploration of the nature of the universe, while only 3% of America's high school students have ever taken an astronomy course

1,302

Public radio and television stations serving local communities across the country

79%

Percent of all children ages 2 to 11 who watch public television

69%

Percent of Americans who support federal funding for public broadcasting

31%

Average increase in vocabulary of children who use the **Martha Speaks** app for two weeks

17

Number of foreign bureaus in which NPR correspondents are based

7.5

Average number of additional letters that a preschooler learns by watching public television

#2

Public's ranking of public broadcasting as providing excellent value for taxpayer dollars, behind only military defense

\$1.37

The cost of public broadcasting per American, per year

#1

Public's ranking of public broadcasting as the most trusted source of news and public affairs

Public Broadcasting
BY THE NUMBERS

February Daytime Television Programs

Saturdays

6:00 a.m. NOVA (2/2, 2/9) Studio One
(2/16, 2/23)
7:00 Overheard with Evan Smith ☞
Campus News begins 2/9
7:30 McLaughlin Group
8:00 Consuelo Mack Wealthtrack
8:30 Inside E Street ☞
9:00 Cook's Country from America's
Test Kitchen ☞
9:30 Joanne Weir's Cooking Confidence ☞
10:00 The Cooking Odyssey ☞
10:30 Pati's Mexican Table ☞
11:00 Lidia's Italy in America ☞
11:30 Taste This! ☞
noon Market to Market
12:30 Almanac
1:30 Beads, Baubles and Jewels ☞
2:00 Sewing with Nancy ☞
2:30 Quilting Arts ☞
3:00 American Woodshop ☞
3:30 Painting with Paulson ☞
4:00 P. Allen Smith's Garden to Table ☞
4:30 My Generation ☞
5:00 Prairie Pulse ☞
5:30 North Dakota Legislative Review 2013
6:00 This Old House Hour ☞

Sundays

7:00 a.m. Sesame Street ☞
8:00 Bob the Builder ☞
8:30 Raggs ☞
9:00 Wild Animal Baby Explorers ☞
9:30 Thomas & Friends ☞
10:00 Martha Speaks ☞
10:30 Anne of Green Gables:
The Animated Series ☞
11:00 Enviropals! ☞
11:30 The Electric Company ☞
noon SciGirls ☞
12:30 My Generation ☞
1:00 Second Opinion ☞ except 2/24
1:00 Great Performances at the Met *Otello*
☞ (2/24) (3 hrs)
1:30 Katie Brown Workshop ☞ except 2/24
2:00 Space Shuttle Columbia: Mission of Hope
☞ (2/3) (1 hr)
2:00 Growing Bolder ☞ (2/10, 2/17)
2:30 Minnesota Original ☞ (2/10, 2/17)
3:00 NOVA *Space Shuttle Disaster*
☞ (2/3) (1 hr)
3:00 Globe Trekker ☞ (2/10, 2/17)
4:00 Doc Martin ☞
5:00 Moyers & Company
6:00 Antiques Roadshow ☞

Weekdays

5:00 a.m. Prairie Public Instructional
Resources (PPIR)
6:30 Martha Speaks ☞
7:00 Curious George ☞
7:30 The Cat in the Hat Knows A Lot
About That! ☞

8:00 Super Why! ☞ except 2/18
8:00 Dinosaur Train: Submarine Adventure
☞ (2/18) (1 hr)
8:30 Dinosaur Train ☞
9:00 Sesame Street ☞
10:00 Daniel Tiger's Neighborhood ☞
10:30 Sid the Science Kid ☞
11:00 WordWorld ☞
11:30 Barney & Friends ☞
noon Peep and the Big Wide World/Pocoyo ☞
12:30 Clifford the Big Red Dog ☞
1:00 Caillou ☞
1:30 Fetch! With Ruff Ruffman ☞
2:00 Cyberchase ☞
2:30 Maya & Miguel ☞
3:00 Arthur ☞
3:30 WordGirl ☞
4:00 Wild Kratts ☞
4:30 The Electric Company ☞
5:00 BBC World News America
5:30 PBS NewsHour
6:30 Keeping Up Appearances ☞

Symbol Key

☞ General audience
☞ Suitable for all children
☞ Directed to children age 7 and older
☞ Parental guidance suggested

Join us for a Sunday afternoon at The Met



Great Performances at the Met gives you the best seats in the house—in your own home—as it presents Verdi's towering tragedy of jealousy and murder, *Otello*, on Sunday, February 24 at 1:00 p.m. (CT). The production stars Johan Botha in the title role and Renée Fleming as Otello's innocent wife, Desdemona.

Semyon Bychkov, who led an acclaimed run of performances featuring Botha and Fleming in the 2007-08 season, again conducts the opera, regarded by many critics as Verdi's dramatic masterpiece.

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Jim Barnhardt

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*We keep
young imaginations
soaring*



Get your imagination in gear, because Prairie Public is hosting the **PBS Kids Writers Contest** to promote reading and writing skills through hands-on, active learning. Children in grades K-3 can submit their own original stories and illustrations, and every child who participates receives a certificate of participation!

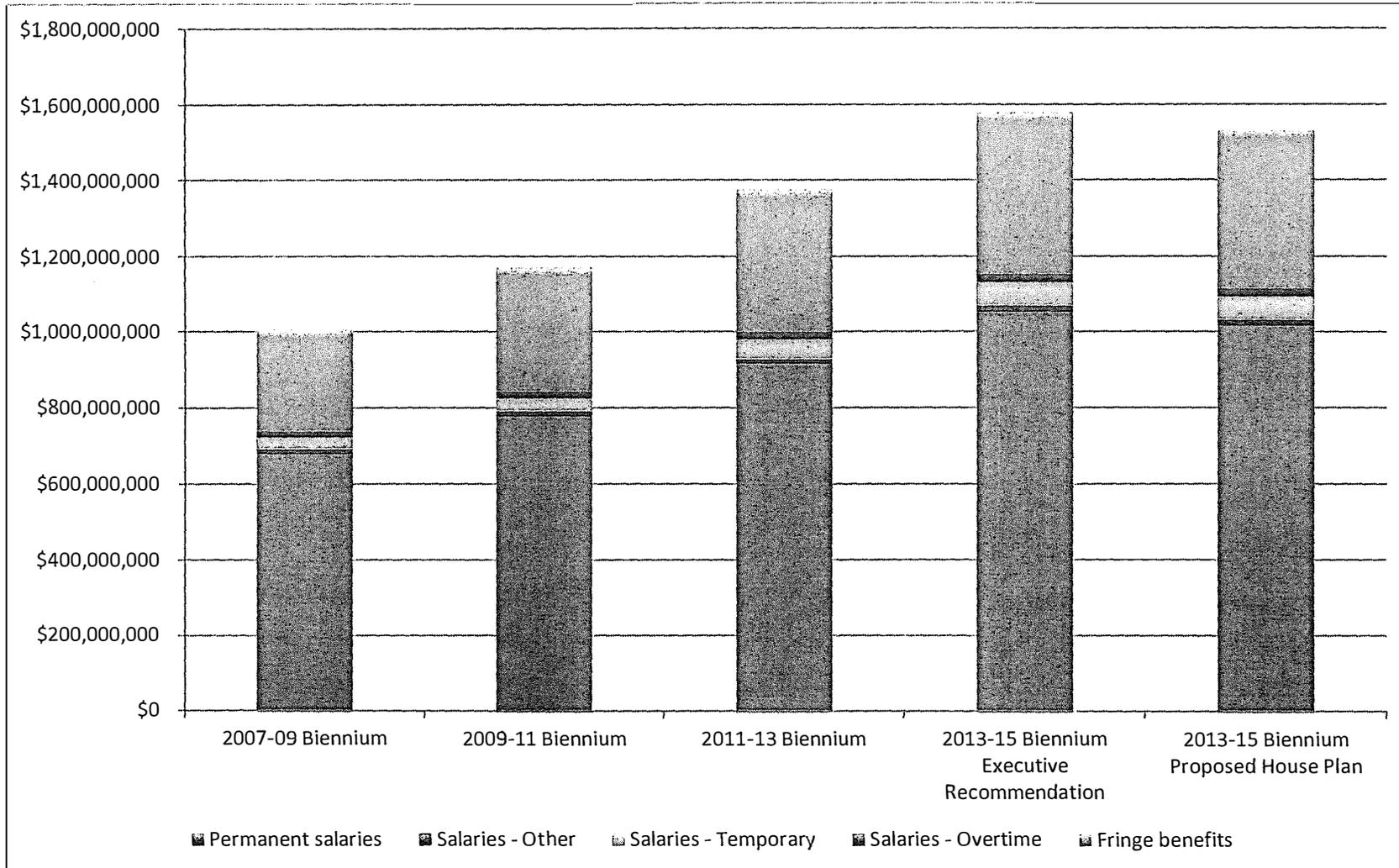
Visit prairiepublic.org to find the contest rules and entry forms. There, you'll also find a writer's guide that discusses brainstorming, plots, setting, character development, word choices, and more! The deadline for submissions is April 9.



Enter the **2013 Masterpiece Classic Sweepstakes** daily through April 30, 2013, for a chance to win a trip for two adults from the U.S. to Britain! This five-day, four-night trip features a VIP tour of Highclere Castle with Lord Carnarvon, and afternoon tea with Lady Carnarvon, author of "Lady Almina and the Real Downton Abbey." Your trip will also include VIP tours of Kensington Palace and the Selfridges & Co. department store in London. You will also enjoy afternoon tea with Jessica Fellowes, author of "The Chronicles of Downton Abbey," "The World of Downton Abbey," and "Mud & The City: Dos and Don'ts for Townies in the Country." Travel to Britain must be from Sept. 21-26, 2013. The sweepstakes is open to U.S. and Canadian residents. No purchase necessary; winner will be selected by random drawing. Enter at <http://www.pbs.org/sweepstakes>.

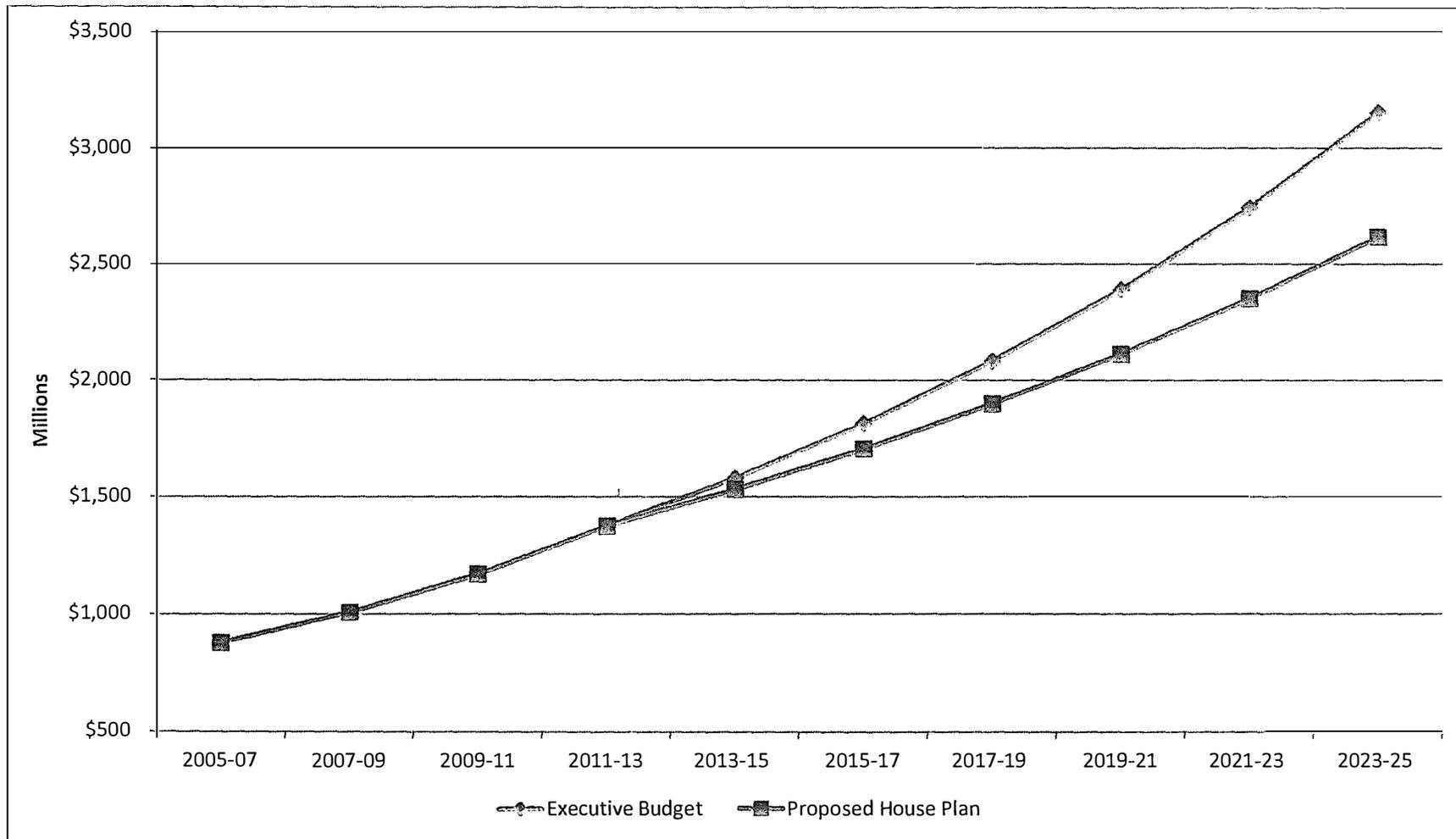
FUNDING FOR STATE EMPLOYEE SALARIES AND BENEFITS

The chart below details state employee compensation and benefit amounts provided from the 2007-09 biennium through the 2011-13 biennium and the amount of funding included in the 2013-15 executive budget recommendation and the 2013-15 biennium proposed House version.



HB 1015
 2/12/13
 Attachment 1

The Chart below details estimated future costs for state employee salaries and benefits based on the percentage increase from the 2011-13 biennium to the 2013-15 executive budget recommendation and the percentage increase from the 2011-13 biennium to the 2013-15 biennium proposed House version for state employee compensation and benefits.



HB 1015
 2/12/13
 Attachment 2

**FUNDING FOR STATE EMPLOYEE SALARIES AND BENEFITS
 (EXCLUDING HIGHER EDUCATION)**

The table below details state employee compensation and benefits amounts provided for the 2005-07 through the 2011-13 bienniums and the amount of funding included in the 2013-15 executive budget recommendation and the 2013-15 biennium proposed House version for state employee salaries and benefits.

	2005-07 Biennium	2007-09 Biennium	Percentage Increase From Previous Biennium	2009-11 Biennium	Percentage Increase From Previous Biennium	2011-13 Biennium	Percentage Increase From Previous Biennium	2013-15 Biennium			
								Executive Recommendation	Percentage Increase From Previous Biennium	Proposed House Version ¹	Percentage Increase From Previous Biennium
Permanent salaries	\$601,949,915	\$680,764,804	13.1%	\$778,826,616	14.4%	\$914,992,094	17.5%	\$1,054,143,251	15.2%	\$1,016,245,806	11.1%
Salaries - Other	13,174,920	13,174,920	N/A	12,742,061	(3.3)	12,014,339	(5.7)	16,385,488	36.4	16,385,488	36.4
Salaries - Temporary	46,677,777 ²	30,435,032	(34.8)	33,115,342	8.8	52,180,305	57.6	61,914,397	18.7	61,914,397	18.7
Salaries - Overtime		15,583,530	N/A	18,528,889	18.1	20,697,711	11.7	21,491,357	3.8	21,491,357	3.8
Other benefits	226,763,475	266,691,414	17.6	327,675,365	22.9	375,812,205	14.7	425,093,464	13.1	415,124,718	10.5
Total	\$875,391,167	\$1,006,749,700	15.0%	\$1,170,888,273	16.3%	\$1,375,696,654	17.5%	\$1,579,027,957	14.8%	\$1,531,161,766	11.3%

¹The 2013-15 biennium proposed House version reduces the performance pay plan from 3 to 5 percent per year to 2 to 4 percent per year, reduces the market funding component from 2 to 4 percent per year to up to 2 percent in the first year of the biennium only, and removes funding for retirement contribution increases.

²Includes funding for overtime and other salaries classifications.

The table below details estimated future costs for state employee salaries and benefits based on the percentage increase from the 2011-13 biennium to the 2013-15 executive budget recommendation and the percentage increase from the 2011-13 biennium to the 2013-15 biennium proposed House version for state employee compensation and benefits.

	Estimated Future Costs for State Employee Salaries and Benefits					
	2013-15 Biennium	2015-17 Biennium	2017-19 Biennium	2019-21 Biennium	2021-23 Biennium	2023-25 Biennium
Estimated future costs based on executive budget recommendation ¹	\$1,579,027,957	\$1,812,724,095	\$2,081,007,261	\$2,388,996,335	\$2,742,567,793	\$3,148,467,826
Estimated future costs based on proposed House version plan for state employee compensation and benefits ²	\$1,531,161,766	\$1,704,183,046	\$1,896,755,730	\$2,111,089,127	\$2,349,642,198	\$2,615,151,767

¹Assumes biennial increases of 14.8 percent for state employee salaries and benefits.

²Assumes biennial increases of 11.3 percent for state employee salaries and benefits.

ACCRUED LEAVE PAYMENTS - VACANT POSITION SAVINGS

This memorandum provides information on a proposal to designate in a special line item funding for paying accrued annual and sick leave of employees resigning or retiring. The proposal would also limit the ability of state agencies to spend salaries and wages funding that becomes available from vacant positions and employee turnover. Because the Legislative Assembly provides a block grant appropriation to the North Dakota University System and "underfunds" the Department of Human Services salaries and wages line item, these agencies are excluded.

The proposal would shift a percentage of funds from the salaries and wages line item to a separate line item for paying accrued annual leave and sick leave of retiring or resigning employees. The line item would be named "accrued leave payments." The funding shifted to the accrued leave payments line item would be determined by the number of authorized full-time equivalent (FTE) positions for each agency. The amount would be based on the following percentages of the biennial total of the agency's salaries and wages for its FTE positions:

Number of Full-Time Equivalent Positions	Percentage of Salaries and Wages to Include in a Separate Line Item
0 to 9	1%
10 to 99	2%
100 to 249	3%
250 or more	4%

If funding provided in the salaries and wages line item is not sufficient to pay employees during the biennium because of the funding shift, the agency may seek Emergency Commission approval for a transfer of funds from the accrued leave payments line item to the salaries and wages line item of the agency for the amount of the anticipated shortfall. The total estimated amount that would be shifted from the salaries and wages line item and appropriated in the accrued leave payments line item for the 2013-15

biennium using the percentages listed above is \$39.1 million, \$17.4 million of which is from the general fund. This estimate is based on the 2013-15 executive budget.

Potential advantages:

1. Allows the Legislative Assembly to identify the total amount spent by state agencies during a biennium for accrued annual leave and sick leave payments relating to resigning or retiring employees.
2. Limits the ability of agencies to use salary savings from vacant positions or employee turnover to provide additional employee raises or for other purposes, unless agencies have vacancy and turnover savings in excess of the percentage of funds shifted from the salaries and wages line item.
3. Could result in an increase in unspent appropriation authority (turnback) if the amount appropriated in the accrued leave payments line item is more than necessary for these payments and if the agency has sufficient funding in the salaries and wages line item and would have used the excess funds for other purposes in the salaries and wages line item.
4. Could result in reducing funding necessary for ongoing state employee salaries if an agency would have used the salary savings for additional salary increases for its employees, thus increasing the salary base.
5. Requires agency heads to administer their salaries and wages line item more efficiently and effectively to avoid appearing before the Emergency Commission to request a line item transfer.

Potential disadvantages:

1. Could result in more Emergency Commission requests for line item transfers.

STATE EMPLOYEE SALARY AND RETIREMENT INCREASE CHANGES - ESTIMATED COSTS AND COSTS TO CONTINUE

PROPOSED HOUSE PLAN

This memorandum provides information on the 2013-15 executive recommendation for state employee salary increases and retirement contribution increases and on the House plan, including estimates of the cost to continue for the 2015-17 biennium.

EXECUTIVE BUDGET RECOMMENDATION

Salary Increases

The executive recommendation for state employee salary increases provides for performance-based increases and market equity increases. The performance-based increases are to be given in July 2013 and July 2014 and are to range from 3 to 5 percent for each eligible employee. The market equity increases are to be given in July 2013 and July 2014 and are to be 4 percent for eligible employees in the first quartile of their salary range and 2 percent for eligible employees in the second quartile. Employees above their respective salary range market policy point (the third and fourth quartiles) would not be eligible for the market equity increases.

The schedule below reflects the funding included in the 2013-15 executive budget for state employee salary increases.

2013-15 Costs

	General Fund	Special Funds	Total
Performance-based salary increases	\$34,879,548	\$31,770,687	\$66,650,235
Market equity salary increases	16,327,721	10,291,435	26,619,156
Total	\$51,207,269	\$42,062,122	\$93,269,391

The schedule below provides an estimate of the additional funding that would be needed in the 2015-17 biennium to continue the July 2014 salary increases for both years of the 2015-17 biennium.

Costs to Continue

	General Fund	Special Funds	Total
Performance-based salary increases	\$12,100,000	\$11,200,000	\$23,300,000
Market equity salary increases	5,600,000	3,500,000	9,100,000
Total	\$17,700,000	\$14,700,000	\$32,400,000

Retirement Contribution Increases

The executive recommendation provides for an increase in contributions to the public employees retirement system of 2 percent on January 1, 2014, and another 2 percent on January 1, 2015. For each increase, the state pays 1 percent and the employee pays 1 percent. The statutory changes to provide for the increased contributions are included in Senate Bill

The schedule below reflects the funding included in the 2013-15 executive budget for the retirement increases.

2013-15 Costs

	General Fund	Special Funds	Total
January 1, 2014, increase	\$3,994,277	\$3,482,282	\$7,476,559
January 1, 2015, increase	1,331,426	1,160,761	2,492,187
Total	\$5,325,703	\$4,643,043	\$9,968,746

The schedule below provides an estimate of the additional funding that would be needed in the 2015-17 biennium to continue the retirement contribution increases for the entire 2015-17 biennium.

Costs to Continue

	General Fund	Special Funds	Total
Retirement contributions	\$5,325,703	\$4,643,043	\$9,968,746

PROPOSED HOUSE PLAN

Salary Increases

The proposed House plan changes the performance-based increases from 3 to 5 percent per year to 2 to 4 percent per year. The market equity increases would be given only in July 2013, and would be reduced from 4 percent for employees in the first quartile of their salary range and 2 percent for employees in the second quartile to 2 percent for employees in the first quartile and no market equity increase for employees in the second quartile.

The schedule below reflects the **estimated** funding that would be required for the proposed House plan.

2013-15 Costs

	General Fund	Special Funds	Total
Performance-based salary increases	\$26,159,661	\$23,827,964	\$49,987,625
Market equity salary increases	3,302,616	2,081,654	5,384,270
Total	\$29,462,277	\$25,909,618	\$55,371,895

The schedule below provides an estimate of the additional funding that would be needed in the 2015-17 biennium to continue the July 2014 salary increases for the proposed House plan for both years of the 2015-17 biennium.

Costs to Continue

	General Fund	Special Funds	Total
Performance-based salary increases	\$9,000,000	\$8,200,000	\$17,200,000
Market equity salary increases	0	0	0
Total	\$9,000,000	\$8,200,000	\$17,200,000

Proposed House Plan Comparison - General Fund Costs

The schedule below compares total general fund costs of the proposed House plan to the executive budget.

	2013-15 General Fund	2013-15 House Plan Costs Compared to Executive Budget	2015-17 Estimated General Fund Cost to Continue	2015-17 House Plan Costs Compared to Executive Budget
Executive budget	\$51,207,269	N/A	\$17,700,000	N/A
Proposed House plan	\$29,462,277	(\$21,744,992)	\$9,000,000	(\$8,700,000)

Retirement Contribution Increases

Proposed House Plan

The proposed House plan would remove funding for the retirement contribution increases proposed in the executive budget.

The schedule below reflects the funding that would be removed for retirement contribution increases.

	General Fund	Special Funds	Total
Removes retirement contribution increases	(\$5,325,703)	(\$4,643,043)	(\$9,968,746)

HB 1015
2/12/13
Attachment S

**Compensation Package Version Comparison
Executive Budget and Corrected Executive Budget**

	Executive Budget				Executive Budget (Corrected)				Required Adjustment			
	Total Increase All Recommended FTE	Federal Amount	General Amount	Special Amount	Total Increase All Recommended FTE	Federal Amount	General Amount	Special Amount	Total Increase All Recommended FTE	Federal Amount	General Amount	Special Amount
10100	97,746	0	97,746	0	170,513	0	170,513	0	72,767	0	72,767	0
10800	254,203	7,626	246,577	0	269,023	8,071	260,952	0	14,820	445	14,375	0
11000	1,229,160	0	1,020,203	208,957	1,263,889	0	1,049,028	214,861	34,729	0	28,825	5,904
11200	3,864,235	0	561,021	3,303,214	3,887,750	0	563,724	3,324,026	23,515	0	2,703	20,812
11700	680,825	68,082	510,618	102,124	686,812	68,681	515,109	103,022	5,987	599	4,491	898
12000	71,161	0	71,161	0	84,036	0	84,036	0	12,875	0	12,876	0
12500	2,386,539	47,258	1,937,586	401,695	2,561,565	51,231	2,100,483	435,466	175,026	3,973	162,897	33,771
12700	1,350,952	0	1,350,952	0	1,372,915	0	1,372,915	0	21,963	0	21,963	0
14000	58,303	0	0	58,303	65,196	0	0	65,196	6,893	0	0	6,893
16000	350,222	0	350,222	0	350,222	0	350,222	0	0	0	0	0
18000	2,599,325	0	2,599,325	0	2,599,325	0	2,599,325	0	0	0	0	0
18800	484,821	0	470,277	14,545	497,306	0	482,387	14,919	12,485	0	12,110	375
19000	198,973	0	0	198,973	213,971	0	0	213,971	14,998	0	0	14,998
19200	374,229	0	0	374,229	385,713	0	0	385,713	11,484	0	0	11,484
20100	1,298,877	896,225	402,652	0	1,308,375	902,779	405,596	0	9,498	6,554	2,944	0
22600	311,717	0	0	311,717	318,395	0	0	318,395	6,678	0	0	6,678
25000	285,079	22,806	262,273	0	285,079	22,806	262,273	0	0	0	0	0
25200	427,890	17,116	410,774	0	427,890	17,116	410,774	0	0	0	0	0
25300	325,705	0	309,420	16,285	325,705	0	309,420	16,285	0	0	0	0
27000	378,311	7,566	370,745	0	385,000	7,700	377,300	0	6,689	134	6,555	0
30100	4,451,685	2,047,775	2,403,910	0	4,493,451	2,066,987	2,426,464	0	41,766	19,213	22,554	0
30500	50,569	0	0	50,569	55,040	0	0	55,040	4,471	0	0	4,471
31300	1,205,428	0	1,205,428	0	1,212,915	0	1,212,915	0	7,487	0	7,487	0
31600	47,610	0	47,610	0	52,387	0	52,387	0	4,777	0	4,777	0
32100	73,310	0	73,310	0	77,816	0	77,816	0	4,506	0	4,506	0
32500	24,358,884	7,551,255	16,807,633	0	24,682,113	7,651,455	17,030,658	0	323,229	100,200	223,025	0
36000	413,606	0	413,606	0	418,838	0	418,838	0	5,232	0	5,232	0
38000	2,769,177	2,741,485	27,692	0	2,776,127	2,748,366	27,761	0	6,950	6,881	70	0
40100	459,988	22,999	0	436,988	497,491	24,875	0	472,616	37,503	1,875	0	35,628
40500	793,816	15,876	730,311	47,629	966,529	19,331	889,207	57,992	172,713	3,454	158,896	10,363
40600	155,437	0	155,437	0	161,168	0	161,168	0	5,731	0	5,731	0
40800	489,070	180,956	308,114	0	512,410	189,592	322,818	0	23,340	8,636	14,704	0
41200	52,271	0	0	52,271	58,590	0	0	58,590	6,319	0	0	6,319

	Executive Budget				Executive Budget (Corrected)				Required Adjustment			
	Total Increase All Recommended	Federal	General	Special	Total Increase All Recommended	Federal	General	Special	Total Increase All Recommended	Federal	General	Special
	FTE	Amount	Amount	Amount	FTE	Amount	Amount	Amount	FTE	Amount	Amount	Amount
41300	355,863	0	0	355,863	369,250	0	0	369,250	13,387	0	0	13,387
41400	116,064	0	116,064	0	121,810	0	121,810	0	5,746	0	5,746	0
47100	1,651,259	16,513	0	1,634,746	1,804,739	18,047	0	1,786,692	153,480	1,535	0	151,945
47300	470,148	0	0	470,148	478,016	0	0	478,016	7,868	0	0	7,868
47500	0	0	0	0	0	0	0	0	0	0	0	0
48500	2,733,646	0	0	2,733,646	2,802,525	0	0	2,802,525	68,879	0	0	68,879
50400	2,281,202	228,120	1,779,338	273,744	2,287,305	228,731	1,784,098	274,477	6,103	610	4,760	732
53000	8,851,452	0	8,408,878	442,573	8,906,843	0	8,461,501	445,342	55,391	0	52,623	2,770
54000	2,201,433	1,298,846	748,487	154,100	2,386,178	1,407,845	811,301	167,032	184,745	108,999	62,813	12,932
60100	353,441	56,551	272,150	24,741	614,939	98,390	473,503	43,046	261,498	41,840	201,353	18,305
60200	838,407	176,065	469,508	192,834	864,619	181,570	484,187	198,862	26,212	5,505	14,679	6,029
62700	601,821	324,983	96,291	180,546	601,821	324,983	96,291	180,546	0	(0)	(0)	(0)
62800	855,157	0	711,780	143,376	855,157	0	711,781	143,376	0	0	0	0
63000	2,113,010	359,212	1,056,505	697,293	2,113,010	359,212	1,056,505	697,293	0	(0)	(0)	(0)
63800	102,846	0	79,192	23,655	102,846	0	79,191	23,655	0	0	(0)	(0)
64000	3,203,824	288,344	1,858,218	1,057,262	3,203,824	288,344	1,858,218	1,057,262	0	0	0	0
64900	26,197	0	0	26,197	26,197	0	0	26,197	0	0	0	(0)
67000	27,842	0	27,842	0	27,842	0	27,842	0	0	0	0	0
70100	845,498	93,005	752,493	0	852,155	93,737	758,418	0	6,657	732	5,925	0
70900	55,469	0	55,469	0	60,015	0	60,015	0	4,546	0	4,546	0
72000	1,702,843	595,995	0	1,106,849	1,710,166	598,558	0	1,111,608	7,323	2,563	0	4,759
75000	672,790	6,728	659,334	6,728	678,772	6,788	665,197	6,788	5,982	60	5,863	60
77000	1,129,207	45,168	971,118	112,921	1,143,681	45,747	983,566	114,368	14,474	579	12,447	1,447
80100	9,730,848	1,167,702	0	8,563,146	9,755,082	1,170,610	0	8,584,472	24,234	2,908	0	21,326
	93,269,391	18,284,259	51,207,269	23,777,866	95,190,347	18,601,551	52,367,511	24,246,900	1,920,956	317,292	1,160,242	469,034

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1015

Page 1, line 4, after "intent" insert "; to provide for legislative management studies"

Page 3, line 29, after the period insert "However, agencies may not transfer appropriation authority from the accrued leave payments line item under authority granted in this section."

Page 4, replace lines 1 through 22 with:

"SECTION 9. STATE EMPLOYEE COMPENSATION ADJUSTMENTS - LEGISLATIVE INTENT - GUIDELINES. It is the intent of the sixty-third legislative assembly that 2013-15 biennium compensation adjustments for classified state employees are to be in a range of two to four percent for each year of the biennium based on documented performance. Increases for classified state employees are not to be the same percentage increase for each employee. The performance increases are to be given beginning with the month of July 2013, to be paid in August 2013, and beginning with the month of July 2014, to be paid in August 2014. An additional compensation adjustment of up to two percent for the first year of the biennium may be provided for a classified state employee whose salary is in the first quartile of the employee's assigned salary range to address market equity. The market equity increases are to be given beginning with the month of July 2013, to be paid in August 2013.

It is the intent of the sixty-third legislative assembly that the goal of the classified state employee compensation program be a compensation ratio of 95 percent of the market policy point used by the office of management and budget for establishing the grade and salary range structure for fiscal year 2013. The office of management and budget may not adjust the market policy point based on an estimated inflationary factor during the 2013-15 biennium. The office of management and budget shall develop guidelines for use by state agencies for providing compensation adjustments for regular classified employees in accordance with provisions of this section and section 54-44.3-01.2.

Compensation adjustments for regular nonclassified state employees are to be in a range of two to four percent for each year of the biennium based on market and documented performance and are not to be the same percentage increase for each employee. The market and performance increases are to be given beginning with the month of July 2013, to be paid in August 2013, and beginning with the month of July 2014, to be paid in August 2014.

It is the intent of the legislative assembly that retirement contribution percentages provided by the state and the employee to the public employees retirement system not be changed during the 2013-15 biennium from the percentages in effect at the end of the 2011-13 biennium.

Probationary employees are not entitled to the market and performance increases. However, probationary employees may be given all or a portion of the increases upon completion of probation, at the discretion of the appointing authority. Employees whose overall documented performance level does not meet standards are not eligible for any salary increase.

SECTION 10. ACCRUED LEAVE PAYMENTS LINE ITEM - LINE ITEM TRANSFERS - EMERGENCY COMMISSION APPROVAL. The accrued leave payments line item included in agency appropriation bills, as approved by the sixty-third legislative assembly, includes funding for paying accrued annual leave and sick leave for eligible employees resigning, retiring, or otherwise discontinuing employment with the agency. The emergency commission may approve agency requests for line item transfers from the accrued leave payments line item to the salaries and wages line item or other line item that includes salaries and wages funding subject to the agency providing documentation justifying the need for the funding transfer for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 11. LEGISLATIVE MANAGEMENT STUDY - SALARIES AND WAGES APPROPRIATIONS - CLASSIFICATION SYSTEM. The legislative management shall consider studying, during the 2013-14 interim, the process of appropriating funds for salaries and wages and the state's classification system. The study, if conducted, must consider the feasibility and desirability of appropriating a lump sum amount to each agency for salaries and wages, without identifying specific purposes for the funding and allowing the agency head the flexibility to use the funding as necessary to accomplish the duties and responsibilities of the agency. The study must also include the effect of this change on the state's classification and benefits system and on the process of reporting by the agency on its use of the funds to the legislative assembly. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

SECTION 12. LEGISLATIVE MANAGEMENT STUDY - STATE EMPLOYEE HEALTH INSURANCE PREMIUMS. The legislative management shall consider studying, during the 2013-14 interim, the feasibility and desirability of establishing a maximum state contribution to the cost of state employee health insurance premiums. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly."

Renumber accordingly

721010
 February 19, 2013
 Ottoboni 1
 Prepared by the Legislative Council staff
 for House Appropriations - GO Division
 February 15, 2013

LISTING OF PROPOSED CHANGES TO HOUSE BILL NO. 1015

Agency - Office of Management and Budget

Proposed funding changes:

Description	FTE	General Fund	Special Funds	Total
1 Add special fund spending authority for Central Services operations (\$155,000 for capital assets and \$30,000 for salaries and wages) (requested by OMB)			\$185,000	\$185,000
2 Remove one vacant FTE due to reorganization of Facility Management (requested by OMB)	(1.00)	(\$150,000)		(\$150,000)
Total proposed funding changes	<u>(1.00)</u>	<u>(\$150,000)</u>	<u>\$185,000</u>	<u>\$35,000</u>

Other proposed changes:

- 1 Change name of Property Tax Relief Sustainability Fund to Education Mill Buydown Sustainability Fund.

#101015
 February 19, 2013
 Attached 2

13.8144.01003
 Title.
 Fiscal No. 1

Prepared by the Legislative Council staff for
 Representative Brandenburg
 January 28, 2013

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1015

Page 1, remove lines 22 through 24

Page 2, replace lines 1 through 3 with:

"State student internship program	<u>200,000</u>	<u>0</u>	<u>200,000</u>
Total all funds	\$39,753,160	\$9,011,175	\$48,764,335
Less estimated income	<u>10,514,461</u>	<u>(1,925,066)</u>	<u>8,589,395</u>
Total general fund	\$29,238,699	\$10,936,241	\$40,174,940"

Page 2, remove line 17

Page 2, replace lines 21 through 23 with:

"Total general fund	\$478,354,000	\$8,590,000"
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Page 3, remove lines 18 through 25

Page 3, line 28, replace "9" with "8"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1015 - Office of Management and Budget - House Action

	Executive Budget	House Changes	House Version
Salaries and wages	\$20,904,344		\$20,904,344
Operating expenses	14,696,788		14,696,788
Capital assets	9,796,065		9,796,065
Grants	430,000		430,000
Emergency Commission contingency fund	700,000		700,000
Prairie Public Broadcasting	2,037,138		2,037,138
State student internship program	200,000		200,000
Health insurance pool - temp employees	2,000,000	(2,000,000)	
Total all funds	<u>\$50,764,335</u>	<u>(\$2,000,000)</u>	<u>\$48,764,335</u>
Less estimated income	<u>9,589,395</u>	<u>(1,000,000)</u>	<u>8,589,395</u>
General fund	<u>\$41,174,940</u>	<u>(\$1,000,000)</u>	<u>\$40,174,940</u>
FTE	131.50	0.00	131.50

Department No. 110 - Office of Management and Budget - Detail of House Changes

	Removes Funding for Temporary Employee Health Insurance Pool ¹	Total House Changes
Salaries and wages		
Operating expenses		
Capital assets		
Grants		
Emergency Commission		

contingency fund		
Prairie Public Broadcasting		
State student internship		
program		
Health insurance pool - temp	(2,000,000)	(2,000,000)
employees		
Total all funds	(\$2,000,000)	(\$2,000,000)
Less estimated income	(1,000,000)	(1,000,000)
General fund	(\$1,000,000)	(\$1,000,000)
FTE	0.00	0.00

¹This amendment removes one-time funding included in the executive budget recommendation for a health insurance pool for temporary employees who qualify for health insurance under the federal Affordable Care Act.

The amendment also adjusts Section 2 relating to one-time funding and removes Section 7 which provides guidelines regarding the use of the temporary employee health insurance pool.

#B1015
February 19, 2013 attached 3

13.8144.01002
Title.

Prepared by the Legislative Council staff for
Representative Glassheim
January 18, 2013

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1015

Page 1, line 4, after "intent" insert "; to provide for a legislative management study"

Page 5, after line 31, insert:

"SECTION 11. LEGISLATIVE MANAGEMENT STUDY - STATE AGENCY FACILITY NEEDS. During the 2013-14 interim, the legislative management shall study the facility needs of state agencies located in the Bismarck area, including an evaluation of current and projected facility needs of state agencies, facilities on the capitol grounds currently being used by state agencies, and facilities owned or leased by state agencies that are not located on the capitol grounds. As part of the study, the legislative management shall determine if additional facilities are needed for the operations of state agencies. If it is determined that additional space is needed, the legislative management shall review the most economical options for increasing the amount of facilities space available, including options for renovating or expanding existing buildings on the capitol grounds, options for constructing new buildings on the capitol grounds, and options for building or leasing facilities that are not located on the capitol grounds. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly."

Renumber accordingly

13.8144.01007
Title.

Prepared by the Legislative Council staff for
Representative Thoreson
February 18, 2013

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1015

Page 1, line 2, after "budget" insert "; to create and enact a new subsection to section 54-44.1-18 of the North Dakota Century Code, relating to requiring political subdivisions to submit budget information for inclusion in the state budget database website"

Page 1, line 4, after "intent" insert "; to provide an effective date"

Page 5, after line 31, insert:

"SECTION 11. A new subsection to section 54-44.1-18 of the North Dakota Century Code is created and enacted as follows:

The governing body of each political subdivision may submit the annual budget adopted by the governing body to the director of the budget for inclusion in the state budget database website. The director of the budget shall include in the budget database website any information submitted by any participating governing body of a political subdivision. The official who submits the annual budget to the director of the budget may not submit any information that is confidential under state or federal law. In lieu of submitting the annual budget adopted by the governing body to the director, any participating governing body may provide to the director a publicly accessible internet link on which the annual budget adopted by the participating governing body is available.

SECTION 12. APPROPRIATION - OFFICE OF MANAGEMENT AND BUDGET - STATE BUDGET DATABASE WEBSITE. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$100,000, or so much of the sum as may be necessary, to the office of management and budget for costs associated with the implementation of a political subdivision's reporting component for the state budget database website, for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 13. EFFECTIVE DATE. Section 11 of this Act becomes effective on January 1, 2014."

Renumber accordingly

13.8144.01008
Title.

Fiscal No. 2

HB 1015
February 19, 2013
Attache

Prepared by the Legislative Council staff for
House Appropriations - Government
Operations Division

February 19, 2013

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1015

Page 1, line 2, after "budget" insert "to create and enact a new subsection to section 54-44.1-18 of the North Dakota Century Code, relating to political subdivisions submitting budget information to the state budget database website"

Page 1, line 4, after "intent" insert "; to provide for a legislative management study"

Page 1, line 5, replace "declare an emergency" with "provide an effective date"

Page 1, remove lines 15 through 24

Page 2, replace lines 1 through 4 with:

"Salaries and wages	\$18,477,763	\$1,241,539	\$19,719,302
Operating expenses	13,755,254	471,534	14,226,788
Emergency commission contingency fund	700,000	300,000	1,000,000
Capital assets	5,190,143	605,922	5,796,065
Grants	430,000	0	430,000
Prairie public broadcasting	1,000,000	837,138	1,837,138
State student internship program	200,000	0	200,000
Accrued leave payments	0	<u>570,412</u>	<u>570,412</u>
Total all funds	\$39,753,160	\$4,026,545	\$43,779,705
Less estimated income	<u>10,514,461</u>	<u>(1,844,863)</u>	<u>8,669,598</u>
Total general fund	\$29,238,699	\$5,871,408	\$35,110,107
Full-time equivalent positions	131.50	(1.00)	130.50"

Page 2, replace lines 17 through 19 with:

"Prairie public broadcasting 0 500,000"

Page 2, replace lines 21 through 23 with:

"Total general fund \$478,354,000 \$4,390,000"

Page 2, line 29, remove "- 2011-13 BIENNIUM"

Page 3, line 1, remove "for the period beginning"

Page 3, line 2, replace "with the effective date of this Act" with "during the biennium beginning July 1, 2013,"

Page 3, line 2, replace "2013" with "2015"

Page 3, remove lines 18 through 25

Page 6, replace lines 1 and 2 with:

"SECTION 10. A new subsection to section 54-44.1-18 of the North Dakota Century Code is created and enacted as follows:

The governing body of each political subdivision may submit the annual budget adopted by the governing body to the director of the budget for inclusion in the state budget database website. The director of the budget shall include in the budget database website any information submitted by any participating governing body of a political subdivision. The official who submits the annual budget to the director of the budget may not submit any information that is confidential under state or federal law. In lieu of submitting the annual budget adopted by the governing body to the director, any participating governing body may provide to the director a publicly accessible internet link on which the annual budget adopted by the participating governing body is available.

SECTION 11. LEGISLATIVE MANAGEMENT STUDY - STATE AGENCY FACILITY NEEDS. During the 2013-14 interim, the legislative management shall study the facility needs of state agencies located in the Bismarck area, including an evaluation of current and projected facility needs of state agencies, facilities on the capitol grounds currently being used by state agencies, and facilities owned or leased by state agencies that are not located on the capitol grounds. As part of the study, the legislative management shall determine if additional facilities are needed for the operations of state agencies. If it is determined that additional space is needed, the legislative management shall review the most economical options for increasing the amount of facilities space available, including options for renovating or expanding existing buildings on the capitol grounds, options for constructing new buildings on the capitol grounds, and options for building or leasing facilities that are not located on the capitol grounds. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

SECTION 12. EFFECTIVE DATE. Section 10 of this Act becomes effective on January 1, 2014."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1015 - Office of Management and Budget - House Action

	Executive Budget	House Changes	House Version
Salaries and wages	\$20,904,344	(\$1,185,042)	\$19,719,302
Operating expenses	14,696,788	(470,000)	14,226,788
Capital assets	9,796,065	(4,000,000)	5,796,065
Grants	430,000		430,000
Emergency Commission contingency fund	700,000	300,000	1,000,000
Prairie Public Broadcasting	2,037,138	(200,000)	1,837,138
State student internship program	200,000		200,000
Health insurance pool - temp employees	2,000,000	(2,000,000)	
Accrued leave payments		570,412	570,412
Transfer to property tax fund		744,767,676	744,767,676
Total all funds	\$50,764,335	\$737,783,046	\$788,547,381
Less estimated income	9,589,395	(919,797)	8,669,598
General fund	\$41,174,940	\$738,702,843	\$779,877,783
FTE	131.50	(1.00)	130.50

Department No. 110 - Office of Management and Budget - 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	Removes Vacant FTE Position ⁴	Adjusts Funding for Central Services Operations ⁵	Adds Funding for State Database Website ⁶
Salaries and wages	\$34,729	(\$654,359)	(\$570,412)	(\$150,000)	\$155,000	
Operating expenses					30,000	100,000
Capital assets						
Grants						
Emergency Commission contingency fund						
Prairie Public Broadcasting State student internship program						
Health insurance pool - temp employees						
Accrued leave payments			570,412			
Transfer to property tax fund						
Total all funds	\$34,729	(\$654,359)	\$0	(\$150,000)	\$185,000	\$100,000
Less estimated income	5,904	(110,701)	0	0	185,000	0
General fund	\$28,825	(\$543,658)	\$0	(\$150,000)	\$0	\$100,000
FTE	0.00	0.00	0.00	(1.00)	0.00	0.00

	Removes Funding for Contracting With Auditors ⁷	Increases State Contingencies Funding ⁸	Removes Health Insurance Pool for Temporary Employees ⁹	Reduces One-Time Funding for Prairie Public Broadcasting ¹⁰	Removes Funding for Parking Lot Project ¹¹	Adjusts General Fund Transfer to Property Tax Relief Sustainability Fund ¹²
Salaries and wages						
Operating expenses	(600,000)					
Capital assets					(4,000,000)	
Grants						
Emergency Commission contingency fund		300,000				
Prairie Public Broadcasting State student internship program				(200,000)		
Health insurance pool - temp employees			(2,000,000)			
Accrued leave payments						
Transfer to property tax fund						744,767,676
Total all funds	(\$600,000)	\$300,000	(\$2,000,000)	(\$200,000)	(\$4,000,000)	\$744,767,676
Less estimated income	0	0	(1,000,000)	0	0	0
General fund	(\$600,000)	\$300,000	(\$1,000,000)	(\$200,000)	(\$4,000,000)	\$744,767,676
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Total House Changes
Salaries and wages	(\$1,185,042)
Operating expenses	(470,000)
Capital assets	(4,000,000)
Grants	
Emergency Commission contingency fund	300,000
Prairie Public Broadcasting State student internship program	(200,000)
Health insurance pool - temp employees	(2,000,000)
Accrued leave payments	570,412
Transfer to property tax fund	744,767,676
Total all funds	\$737,783,046

Less estimated income	(919,797)
General fund	\$738,702,843
FTE	(1.00)

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 per 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 salaries and wages funding from the general fund (\$478,233) and from other funds (\$92,179) 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.

⁴One vacant FTE position in the Facilities Management Division is removed.

⁵Additional special funds authority is added for salaries (\$155,000) and operating expenses (\$30,000) for the Central Services Division.

⁶Funding is added for costs associated with the implementation of a political subdivision-reporting component for the state budget database website.

⁷Funding included in the executive budget recommendation for the Office of Management and Budget to contract with an external audit firm for audits is removed.

⁸Funding for the Emergency Commission state contingencies fund is increased by \$300,000 from \$700,000 to \$1,000,000.

⁹ Funding included in the executive budget for a health insurance pool for temporary employees under the federal Affordable Care Act is removed.

¹⁰One-time funding for Prairie Public Broadcasting upgrades is reduced by \$200,000 from \$700,000 to \$500,000.

¹¹ Funding included in the executive budget for Capitol grounds parking lot projects is removed.

¹² This amendment provides for the general fund transfer to the property tax relief sustainability fund to occur during the 2013-15 biennium rather than the 2011-13 biennium as included in the executive budget recommendation.

This amendment also provides for the following:

- Adds a study of the facility needs of state agencies located in the Bismarck area.
- Creates a new subsection to Section 54-44.1-18 relating to political subdivisions submitting budget information to the state database website. The new subsection becomes effective on January 1, 2014.

13.8144.01009
Title.

Prepared by the Legislative Council staff for
Representative Delzer
February 25, 2013

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1015

Page 2, line 29, remove "- 2011-13 BIENNIUM"

Page 2, line 31, replace "\$744,767,676" with "\$373,210,000"

Page 3, line 1, remove "for the period beginning"

Page 3, line 2, replace "with the effective date of this Act" with "during the biennium beginning July 1, 2013,"

Page 3, line 2, replace "2013" with "2015"

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment reduces the transfer from the general fund to the property tax relief sustainability fund from \$744.8 million to \$373.2 million and provides for the transfer to be made during the 2013-15 biennium rather than the 2011-13 biennium.

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1015

Page 1, line 4, after "intent" insert "; to provide for legislative management studies"

Page 3, line 29, after the period insert "However, agencies may not transfer appropriation authority from the accrued leave payments line item under authority granted in this section."

Page 4, replace lines 1 through 22 with:

"SECTION 9. STATE EMPLOYEE COMPENSATION ADJUSTMENTS - LEGISLATIVE INTENT - GUIDELINES. It is the intent of the sixty-third legislative assembly that 2013-15 biennium compensation adjustments for classified state employees are to be in a range of two to four percent for each year of the biennium based on documented performance. Increases for classified state employees are not to be the same percentage increase for each employee. The performance increases are to be given beginning with the month of July 2013, to be paid in August 2013, and beginning with the month of July 2014, to be paid in August 2014. An additional compensation adjustment of up to two percent for the first year of the biennium may be provided for a classified state employee whose salary is in the first quartile of the employee's assigned salary range to address market equity. The market equity increases are to be given beginning with the month of July 2013, to be paid in August 2013.

It is the intent of the sixty-third legislative assembly that the goal of the classified state employee compensation program be a compensation ratio of 95 percent of the market policy point used by the office of management and budget for establishing the grade and salary range structure for fiscal year 2013. The office of management and budget may not adjust the market policy point based on an estimated inflationary factor during the 2013-15 biennium. The office of management and budget shall develop guidelines for use by state agencies for providing compensation adjustments for regular classified employees in accordance with provisions of this section and section 54-44.3-01.2.

Compensation adjustments for regular nonclassified state employees are to be in a range of two to four percent for each year of the biennium based on market and documented performance and are not to be the same percentage increase for each employee. The market and performance increases are to be given beginning with the month of July 2013, to be paid in August 2013, and beginning with the month of July 2014, to be paid in August 2014.

It is the intent of the legislative assembly that retirement contribution percentages provided by the state and the employee to the public employees retirement system not be changed during the 2013-15 biennium from the percentages in effect at the end of the 2011-13 biennium.

Probationary employees are not entitled to the market and performance increases. However, probationary employees may be given all or a portion of the increases upon completion of probation, at the discretion of the appointing authority. Employees whose overall documented performance level does not meet standards are not eligible for any salary increase.

SECTION 10. ACCRUED LEAVE PAYMENTS LINE ITEM - LINE ITEM TRANSFERS - EMERGENCY COMMISSION APPROVAL. The accrued leave payments line item included in agency appropriation bills, as approved by the sixty-third legislative assembly, includes funding for paying accrued annual leave and sick leave for eligible employees resigning, retiring, or otherwise discontinuing employment with the agency. The emergency commission may approve agency requests for line item transfers from the accrued leave payments line item to the salaries and wages line item or other line item that includes salaries and wages funding subject to the agency providing documentation justifying the need for the funding transfer for the biennium beginning July 1, 2013, and ending June 30, 2015.

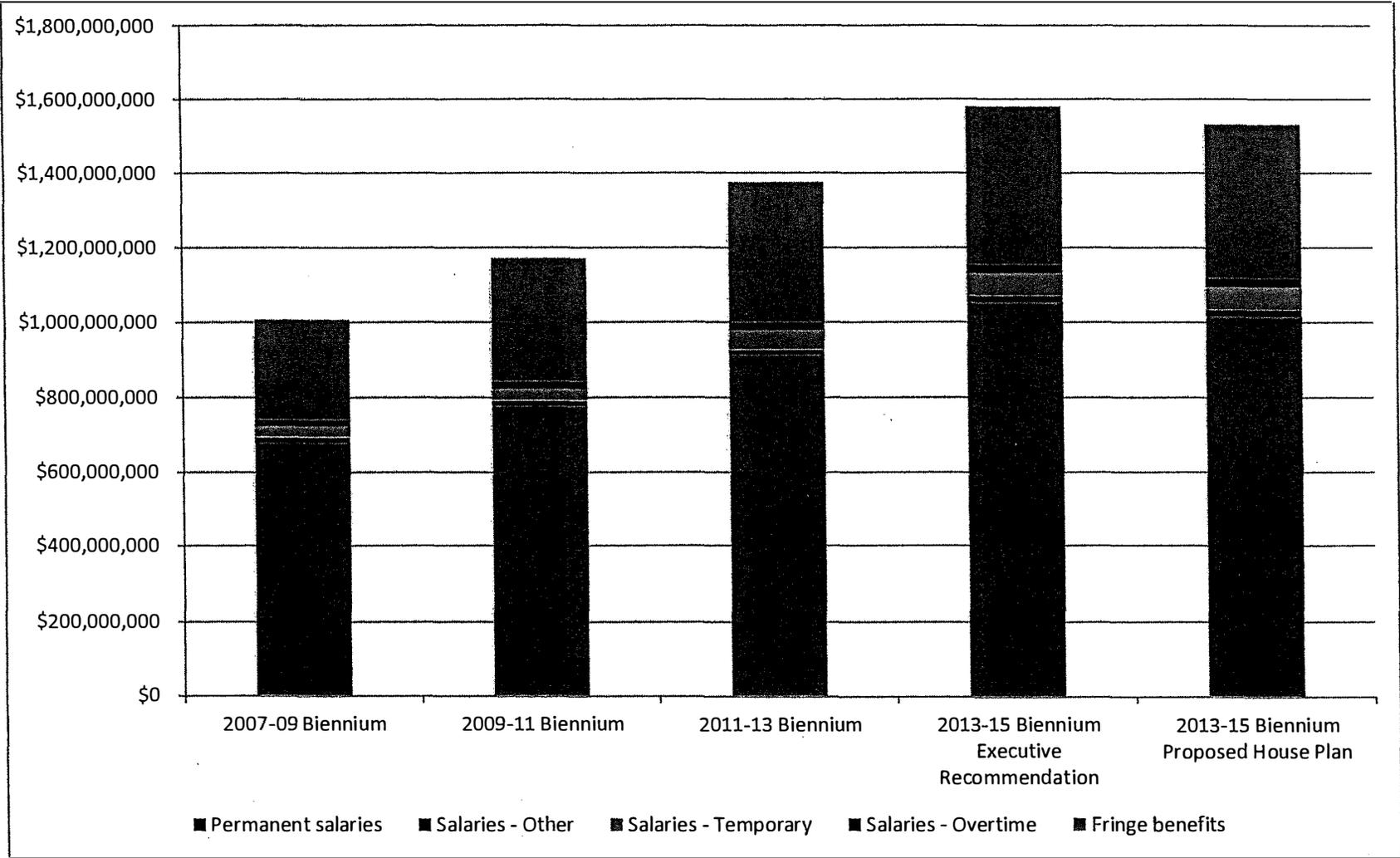
SECTION 11. LEGISLATIVE MANAGEMENT STUDY - SALARIES AND WAGES APPROPRIATIONS - CLASSIFICATION SYSTEM. The legislative management shall consider studying, during the 2013-14 interim, the process of appropriating funds for salaries and wages and the state's classification system. The study, if conducted, must consider the feasibility and desirability of appropriating a lump sum amount to each agency for salaries and wages, without identifying specific purposes for the funding and allowing the agency head the flexibility to use the funding as necessary to accomplish the duties and responsibilities of the agency. The study must also include the effect of this change on the state's classification and benefits system and on the process of reporting by the agency on its use of the funds to the legislative assembly. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

SECTION 12. LEGISLATIVE MANAGEMENT STUDY - STATE EMPLOYEE HEALTH INSURANCE PREMIUMS. The legislative management shall consider studying, during the 2013-14 interim, the feasibility and desirability of establishing a maximum state contribution to the cost of state employee health insurance premiums. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly."

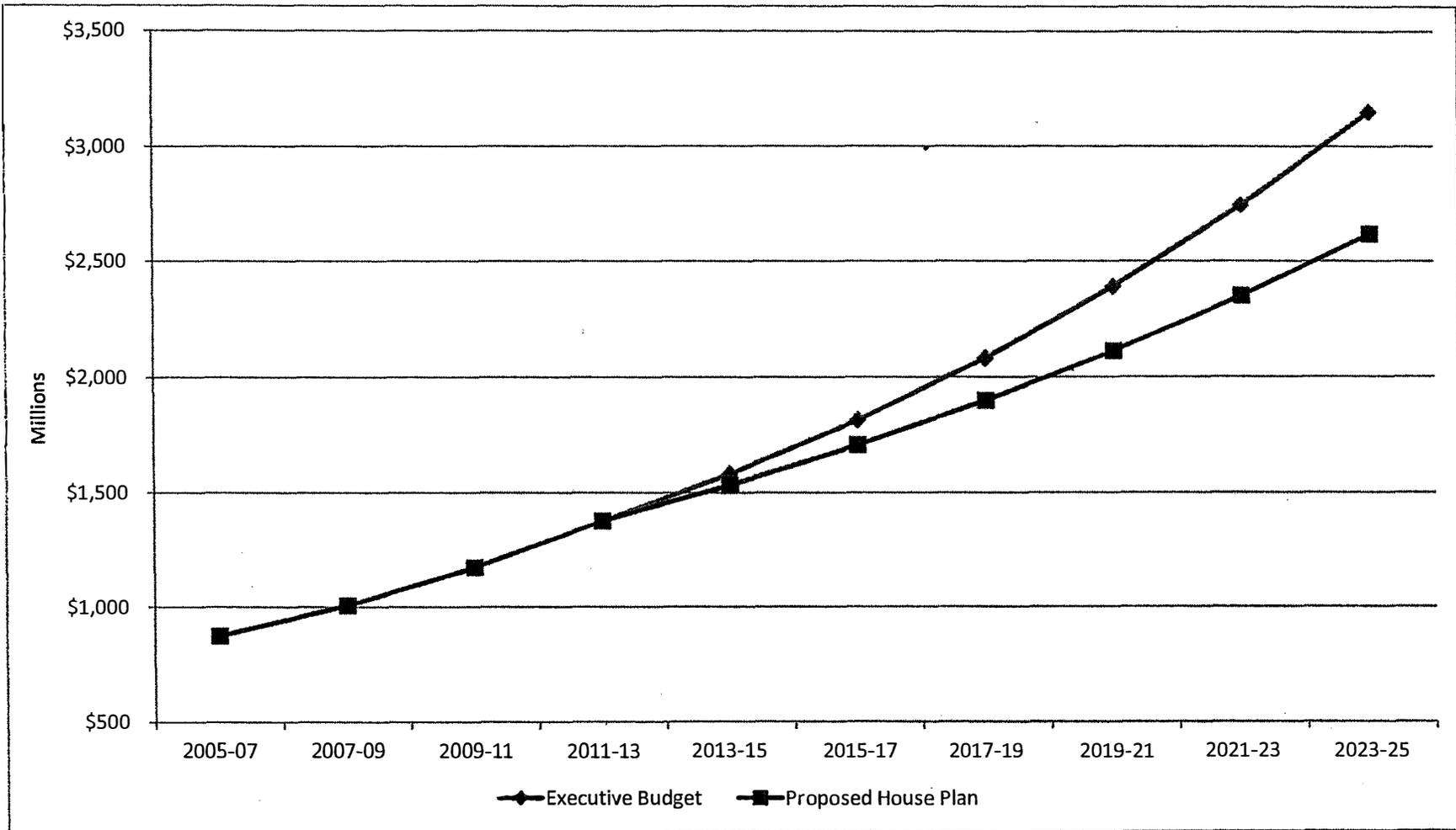
Renumber accordingly

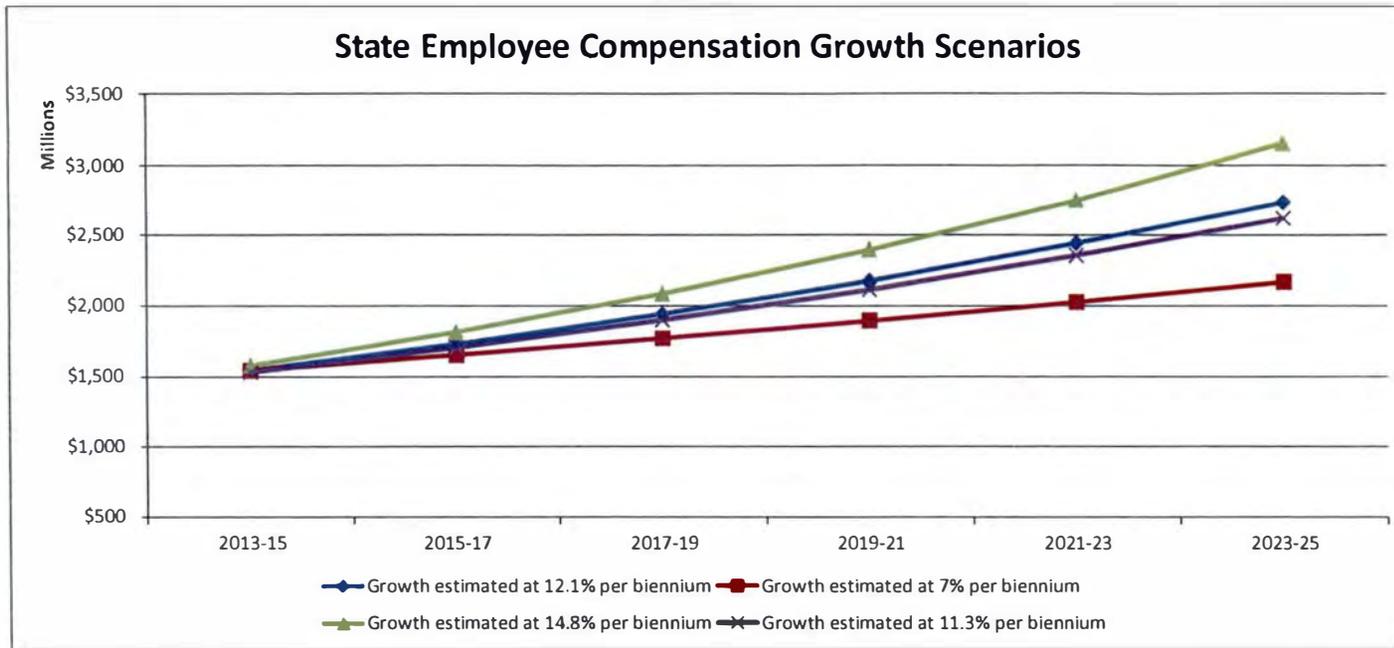
FUNDING FOR STATE EMPLOYEE SALARIES AND BENEFITS

The chart below details state employee compensation and benefit amounts provided from the 2007-09 biennium through the 2011-13 biennium and the amount of funding included in the 2013-15 executive budget recommendation and the 2013-15 biennium proposed House version.



The Chart below details estimated future costs for state employee salaries and benefits based on the percentage increase from the 2011-13 biennium to the 2013-15 executive budget recommendation and the percentage increase from the 2011-13 biennium to the 2013-15 biennium proposed House version for state employee compensation and benefits.





Adjusted salaries and wages amounts	2013-15	2015-17	2017-19	2019-21	2021-23	2023-25
Growth estimated at 12.1% per biennium \1	\$1,542,610,422	\$1,729,266,283	\$1,938,507,503	\$2,173,066,911	\$2,436,008,007	\$2,730,764,976
Growth estimated at 7% per biennium \2	\$1,542,610,422	\$1,650,593,152	\$1,766,134,672	\$1,889,764,099	\$2,022,047,586	\$2,163,590,917
Salaries and wages amounts in LC memo No. 13.9574.01000						
Growth estimated at 14.8% per biennium \3	\$1,579,027,957	\$1,812,724,095	\$2,081,007,261	\$2,388,996,335	\$2,742,567,793	\$3,148,467,826
Growth estimated at 11.3% per biennium \4	\$1,531,161,766	\$1,704,183,046	\$1,896,755,730	\$2,111,089,127	\$2,349,642,199	\$2,615,151,767

- \1 This scenario uses the executive recommendation for 2013-15 for total state employee compensation, excluding new positions and retirement contribution increases, and inflates that amount by 12.1% in future bienniums. This scenario assumes total state employee compensation, including health insurance, other benefits and temporary salaries, continues to grow at the rate of 12.1% in each future biennium.
- \2 This scenario uses the executive recommendation for 2013-15 for total state employee compensation, excluding new positions and retirement contribution increases, and inflates that amount by 7% per biennium. State employee salary increases have averaged 3.5% per year, or 7% per biennium, during the ten year period from 2003 to 2012. This scenario applies a 7% biennial growth rate to total state employee compensation, including health insurance, other benefits, and temporary salaries.
- \3 This version, based on the executive budget for 2013-15 including new positions and retirement contribution increases, is inflated at 14.8% per biennium.
- \4 This scenario, based on the House compensation plan, takes the House proposal for 2013-15 and inflates it by 11.3% per biennium.

FUNDING FOR STATE EMPLOYEE SALARIES AND BENEFITS (EXCLUDING HIGHER EDUCATION)

The table below details state employee compensation and benefits amounts provided for the 2005-07 through the 2011-13 bienniums and the amount of funding included in the 2013-15 executive budget recommendation and the 2013-15 biennium proposed House version for state employee salaries and benefits.

	2005-07 Biennium	2007-09 Biennium	Percentage Increase From Previous Biennium	2009-11 Biennium	Percentage Increase From Previous Biennium	2011-13 Biennium	Percentage Increase From Previous Biennium	2013-15 Biennium			
								Executive Recommendation	Percentage Increase From Previous Biennium	Proposed House Version ¹	Percentage Increase From Previous Biennium
Permanent salaries	\$601,949,915	\$680,764,804	13.1%	\$778,826,616	14.4%	\$914,992,094	17.5%	\$1,054,143,251	15.2%	\$1,016,245,806	11.1%
Salaries - Other		13,174,920	N/A	12,742,061	(3.3)	12,014,339	(5.7)	16,385,488	36.4	16,385,488	36.4
Salaries - Temporary	46,677,777 ²	30,435,032	(34.8)	33,115,342	8.8	52,180,305	57.6	61,914,397	18.7	61,914,397	18.7
Salaries - Overtime		15,683,530	N/A	18,528,889	18.1	20,697,711	11.7	21,491,357	3.8	21,491,357	3.8
Fringe benefits	226,763,475	266,691,414	17.6	327,675,365	22.9	375,812,205	14.7	425,093,464	13.1	415,124,718	10.5
Total	\$875,391,167	\$1,006,749,700	15.0%	\$1,170,888,273	16.3%	\$1,375,696,654	17.5%	\$1,579,027,957	14.8%	\$1,531,161,766	11.3%

¹The 2013-15 biennium proposed House version reduces the performance pay plan from 3 to 5 percent per year to 2 to 4 percent per year, reduces the market funding component from 2 to 4 percent per year to up to 2 percent in the first year of the biennium only, and removes funding for retirement contribution increases.

²Includes funding for overtime and other salaries classifications.

The table below details estimated future costs for state employee salaries and benefits based on the percentage increase from the 2011-13 biennium to the 2013-15 executive budget recommendation and the percentage increase from the 2011-13 biennium to the 2013-15 biennium proposed House version for state employee compensation and benefits.

	Estimated Future Costs for State Employee Salaries and Benefits					
	2013-15 Biennium	2015-17 Biennium	2017-19 Biennium	2019-21 Biennium	2021-23 Biennium	2023-25 Biennium
Estimated future costs based on executive budget recommendation ¹	\$1,579,027,957	\$1,812,724,095	\$2,081,007,261	\$2,388,996,335	\$2,742,567,793	\$3,148,467,826
Estimated future costs based on proposed House version plan for state employee compensation and benefits ²	\$1,531,161,766	\$1,704,183,046	\$1,896,755,730	\$2,111,089,127	\$2,349,642,198	\$2,615,151,767

¹Assumes biennial increases of 14.8 percent for state employee salaries and benefits.

²Assumes biennial increases of 11.3 percent for state employee salaries and benefits.

3-13-13
 HB 1015
 Rep. Jeff Delger

#2

Rep. Jeff Delger
HB 1015 3-13-13

February 2013

#3

ACCRUED LEAVE PAYMENTS - VACANT POSITION SAVINGS

This memorandum provides information on a proposal to designate in a special line item funding for paying accrued annual and sick leave of employees resigning or retiring. The proposal would also limit the ability of state agencies to spend salaries and wages funding that becomes available from vacant positions and employee turnover. Because the Legislative Assembly provides a block grant appropriation to the North Dakota University System and "underfunds" the Department of Human Services salaries and wages line item, these agencies are excluded.

The proposal would shift a percentage of funds from the salaries and wages line item to a separate line item for paying accrued annual leave and sick leave of retiring or resigning employees. The line item would be named "accrued leave payments." The funding shifted to the accrued leave payments line item would be determined by the number of authorized full-time equivalent (FTE) positions for each agency. The amount would be based on the following percentages of the biennial total of the agency's salaries and wages for its FTE positions:

Number of Full-Time Equivalent Positions	Percentage of Salaries and Wages to Include in a Separate Line Item
0 to 9	1%
10 to 99	2%
100 to 249	3%
250 or more	4%

If funding provided in the salaries and wages line item is not sufficient to pay employees during the biennium because of the funding shift, the agency may seek Emergency Commission approval for a transfer of funds from the accrued leave payments line item to the salaries and wages line item of the agency for the amount of the anticipated shortfall. The total estimated amount that would be shifted from the salaries and wages line item and appropriated in the accrued leave payments line item for the 2013-15

biennium using the percentages listed above is \$39.1 million, \$17.4 million of which is from the general fund. This estimate is based on the 2013-15 executive budget.

Potential advantages:

1. Allows the Legislative Assembly to identify the total amount spent by state agencies during a biennium for accrued annual leave and sick leave payments relating to resigning or retiring employees.
2. Limits the ability of agencies to use salary savings from vacant positions or employee turnover to provide additional employee raises or for other purposes, unless agencies have vacancy and turnover savings in excess of the percentage of funds shifted from the salaries and wages line item.
3. Could result in an increase in unspent appropriation authority (turnback) if the amount appropriated in the accrued leave payments line item is more than necessary for these payments and if the agency has sufficient funding in the salaries and wages line item and would have used the excess funds for other purposes in the salaries and wages line item.
4. Could result in reducing funding necessary for ongoing state employee salaries if an agency would have used the salary savings for additional salary increases for its employees, thus increasing the salary base.
5. Requires agency heads to administer their salaries and wages line item more efficiently and effectively to avoid appearing before the Emergency Commission to request a line item transfer.

Potential disadvantages:

1. Could result in more Emergency Commission requests for line item transfers.

Pam Sharp
3-13-13

Office of Management and Budget

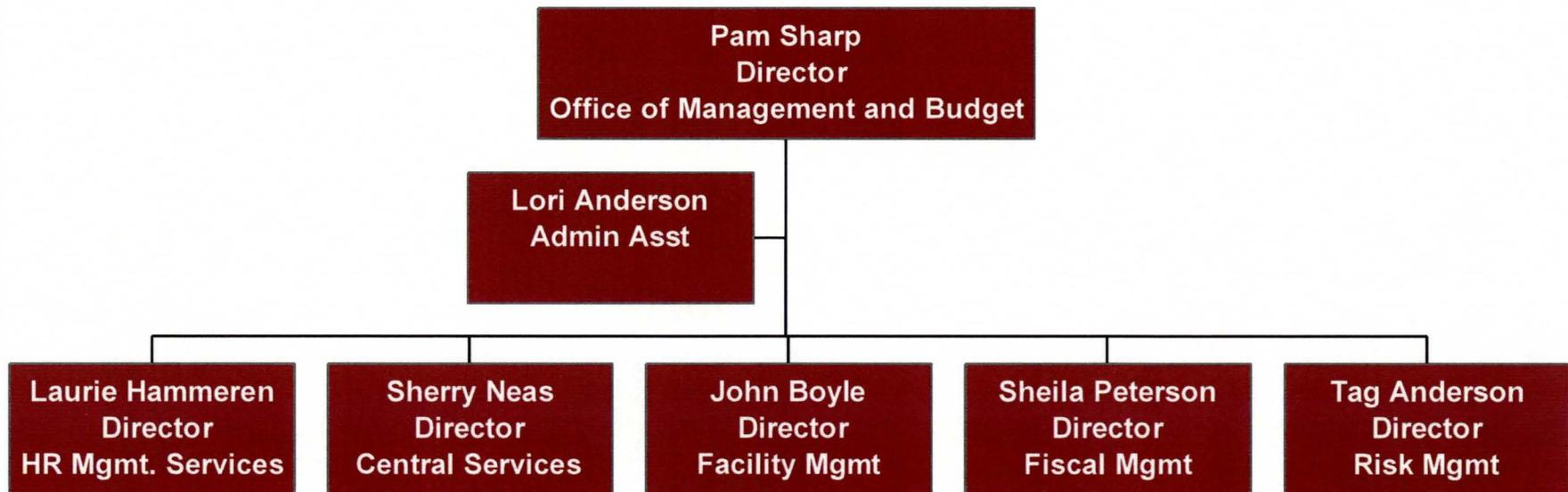
Testimony on House Bill 1015



Senate Appropriations Committee
March 13, 2013

#4

Office of Management and Budget Organizational Chart



Testimony on Engrossed HB 1015
Pam Sharp, Director
Office of Management and Budget
March 13, 2013

Good afternoon Chairman Holmberg and members of the Senate Appropriations Committee. My name is Pam Sharp and I am the Director of the Office of Management and Budget.

Before each of the division directors of OMB provide their testimony to you on their respective divisions, I will give you an overview of the original recommendation for the Office of Management and Budget with notations for House changes. Then I will go through each section of Engrossed House Bill 1015 and talk about other amendments made to this bill.

2013-15 Budget Request – General Fund Ongoing

Salary and Benefits – Amended : Reduced salaries by \$619,630	\$1,020,203
Contingent funding for outside auditors to audit CAFR – Removed	600,000
Prairie Public operating funds	337,000
HRMS position funding	171,000

2013-15 Budget Request – General Fund One-time

Health Insurance pool for temporary employees (requirement of the Affordable Care Act) – Removed	\$1,000,000
Capitol South entrance	1,000,000
Exterior restoration of legislative and judicial wing	1,500,000
Parking lot projects – Removed	4,000,000
Prairie Public – Reduced by \$500,000	700,000
North Dakota’s 125 th Anniversary Coordinator	190,000
Repair, restore, clean flooring of capitol and judicial wing	1,200,000

2013-15 Budget Request – Special Fund One-time

Health Insurance pool for temporary employees (requirement of the Affordable Care Act) – Removed	\$1,000,000
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Explanation of Engrossed House Bill 1015

Section 3 transfers \$373.2 million from the general fund to the Property Tax Relief fund during the 2013-15 biennium. The original bill transferred \$744.7 million from the ending balance of the 2011-13 biennium.

Section 4 provides carryover authority for the Fiscal Management division of OMB. We have had this authority for several biennia. The purpose of this carryover is to have funds available to deal with any development or operating costs necessary for managing the statewide systems OMB is responsible for. This includes PeopleSoft financials and human resources, payroll and budget. It is essential for us to be able to deal with issues that come up during the biennium so we can ensure our statewide systems provide the services as intended.

Section 5 deals with state memberships – an appropriation to the boys and girls clubs (4-H), unemployment insurance, and an appropriation for the Capitol Grounds Planning Commission. Statewide memberships total \$611,000, which is the same amount as last biennium.

Section 6 allows Human Resource Management Services to transfer appropriation authority to eligible agencies for the state student internship program, which is a \$200,000 appropriation. This is the same amount as the last two biennia. If an internship qualifies, up to half of the funding required for a student internship in an agency could be funded from this program.

Section 7 allows agencies to transfer appropriation authority between lines items as it relates to the compensation increases for the 2013-15 biennium. This language is needed for those agencies that pay employees out of special lines. The House added the sentence “**However, agencies may not transfer appropriation authority from the accrued leave payments line item under authority granted in this section.**” This sentence relates to their addition of an Accrued leave Payments line in agency appropriation bills.

Section 8

- Provides salary increases in the range of 2% to 4%
- Provides increases of up to 2% for employees in 1st quartile
- Employee compensation to be spread around 95% of Market Policy Point
- Specifically restricts OMB/HRMS from adjusting the salary ranges
- No contribution increase by state or employees for Pension Fund

Section 9 is the House’s language relating to the Accrued Leave Payments line that they added to House appropriation bills.

Section 10 is an amendment requested by OMB to provide clean-up language regarding the distribution of mineral leasing fees to counties. The state shares mineral leasing fees equally with the counties the fees were derived from. Currently, when the state receives mineral leasing fees, the entire amount is recorded as general fund revenue. A distribution is made quarterly to the counties and when the distributions

are made, the amount comes directly out of the general fund, which makes it look like negative revenues in the general fund.

This amendment creates a fund to initially deposit the county's share separate from the general fund share. The county distribution would then be made directly out of that fund. This way, the county share would never hit the general fund. This is the same way the Tax Department handles individual and corporate tax refunds.

Section 11 is a section of law added by House Appropriations that says political subdivisions may submit their annual budget to OMB for inclusion in the state budget database website. This permissive language, as well as an appropriation of \$100,000, was added after a House bill was killed that would have required political subdivisions to submit their budgets to OMB and required OMB to include those budgets in the state budget data website.

OMB would not be able to include any budgets of political subdivisions in the searchable transactional database that we developed for the state, because our database only pulls information from PeopleSoft. Over 3,000 political subdivisions exist. It is unknown to OMB how many political subdivisions would submit their budgets to OMB or what we would be able to do with \$100,000 for that purpose.

Section 12 is a section that was added by the House requiring a Legislative Management Study of facility needs of state agencies located in the Bismarck area.

Section 13 is a section that relates to a legislative management study of the process of appropriating funds for salaries and wages and the state's classification system.

Section 14 is a section added by the House that relates to a legislative management study of the feasibility and desirability of establishing a maximum state contribution to the cost of state employee health insurance premiums.

Section 15 is an emergency clause added by the House to allow Section 11 to become effective on January 1, 2014. Section 11 relates to political subdivisions submitting their budgets to OMB.

The House made several amendments to House Bill 1015, which are detailed below:

1. Corrected calculation error in the compensation package at OMB's request.
2. Amended salary dollars in the Governor's compensation plan.
3. Removed a portion of salaries and wages funding and put that amount in an accrued leave payments line item for paying annual leave and sick leave.
4. Removed a vacant FTE position from Facility Management – at OMB request.

5. Added special fund authority for salaries and operating for Central Services – at OMB request. (Note – should be \$30,000 salaries and \$155,000 for Capital Assets – error in final amendment needs to be corrected.)
6. Added funding of \$100,000 for inclusion of political subdivision budgets in the state database.
7. Removed funding of \$600,000 to contract with an external audit firm in the event Auditor's Office is not able to audit the CAFR timely.
8. Increased funding for the Emergency Commission contingency fund by \$300,000. (Contingency fund would be at \$1 million.)
9. Removed \$1 million of general funds and \$1 million of special funds for a health insurance pool for temporary employees under the federal Affordable Care Act.

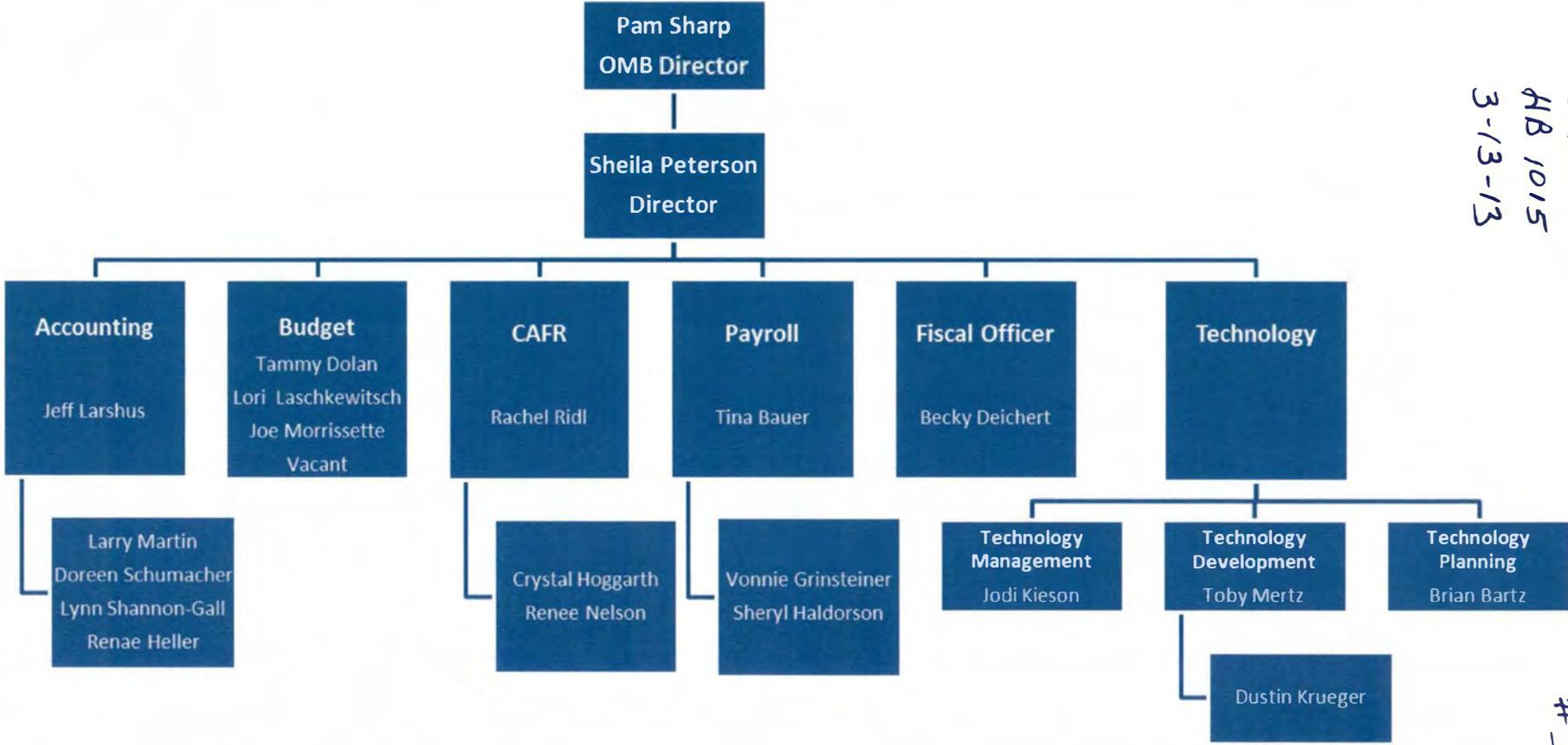
OMB Comments on this amendment:

The shared responsibility provisions of the Affordable Care Act require employers to provide health insurance to temporary employees. The requirement doesn't go into effect until 2014 and certain criteria must be established. OMB's appropriation bill contained \$1 million of general fund authority and \$1 million of special fund authority for this mandate. This section would have allowed OMB to transfer authority to agencies and institutions of higher education to pay for health insurance for temporary employees that meet the guideline.

10. Removed \$500,000 of one-time funding for Prairie Public. This funding would have been used to match federal funds for a variety of projects.
11. Removed \$4 million of general funds for parking lots on the capitol grounds.
12. Reduced transfer to Property Tax Relief Fund from \$744.8 million to \$383.2 million and changed the timing of the transfer.
13. Created a new section of law relating to political subdivisions submitting budget information to OMB.
14. Added a study of facility needs of state agencies in Bismarck.
15. Revised guidelines for state employee compensation increases.
16. Added guidelines regarding the use of funding from the accrued leave payment line items.
17. Adds a study of the process of appropriating salaries and wages.
18. Adds a study of contributions for state employee health insurance premiums.

Governor's Compensation Recommendation	House of Representatives Amendment	Impact
<p><u>Salary increases based on performance</u> - Dollars included in each budget would provide increases in the range of 3% to 5% for classified and nonclassified employees.</p>	<p><u>Salary increases based on performance.</u> Dollars included in each budget would provide increases in the range of 2% to 4% for classified and non-classified employees.</p>	<p>Reducing the Performance Increases while drastically reducing the Market Policy Increase component would result in pressure for agencies to minimize performance focus and stay more across the board to recognize market pressure on all employees.</p>
<p><u>Salary increases based on market policy</u> - Employees in 1st quartile of range provided up to 4% (generally 2-4%). Employees in 2nd quartile of range provided up to 2% (generally 1-2%). Both 2013 & 2014.</p>	<p><u>Salary increases based on market policy</u> - Employees in 1st quartile of range provided up to 2%. Only in 2013.</p>	<p>Virtually eliminates the Market Component of the compensation plan. 73% of employees in the bottom half of the salary range demonstrates the need to move employees closer to Market Policy Points and distribute salaries appropriately into the range. Ex: P&A average salary is only 4% above Minimum; 20% turnover in 2012; Amendment reduces Market allocation from over 7% to under 2%.</p>
<p><u>Overall Goal</u> - Employee compensation spread around a Market Policy Point (MPP) set at 100% of market, individual salaries vary around the MPP based on experience and performance.</p>	<p><u>Overall Goal</u> - Employee compensation to be spread around 95% of Market Policy Point.</p>	<p>In consideration of North Dakota's very strong economic growth, establishing a policy statement to pay 5% below market sends a very negative message to employees.</p>
<p><u>Salary Ranges</u> - Supports maintaining Market Policy Points of compensation plan at market with 3% range increments in 2013 & 2014.</p>	<p><u>Salary Ranges</u> - Specifically restricts OMB/HRMS from adjusting the Market Policy Points (salary ranges) in 2013 & 2014. (RANGES FROZEN for the biennium).</p>	<p>In consideration of North Dakota's very strong economic growth, freezing the ranges for 2 years will result in a very large lag to market when an updated market analysis is completed in preparation for a compensation plan to be effective July 1, 2015. If ranges are frozen salaries will move further into the range; however, the market will dictate hiring rates further into the range, still causing compression with current employees. This is also impacted by elimination of the Market Policy Component of the Exec Budget.</p>
<p><u>Retirement Contributions</u> - Includes contribution increase of 2 percent in each of 2014 & 2015; 1 percent paid by the state and 1 percent paid by the employee</p>	<p><u>Retirement Fund</u> - No contribution increase by the state or the employees during the biennium. (NOTE: SB2059 recommends an interim study of "... The feasibility and desirability of existing and possible state retirement plans.")</p>	<p>Ongoing study, including actuarial analysis, by the Employee Benefits Programs Committee finds that the retirement fund will stabilize and return to full funding with the contributions as originally recommended in 2011. Further delay in the contribution increases puts the funding status of the retirement fund in jeopardy. Delay in moving to stabilize the retirement fund may also negatively impact the state's bond rating.</p>
<p></p>	<p><u>Vacancy Savings</u> - Places a percent (1-4% depending on agency size) of each agency's salary-benefits budget line into a separate line called 'Accrued Leave Payments.' Requires agencies to apply to the Emergency Commission for line item transfers if those funds are needed.</p>	<p>Places a significant bureaucratic burden on agencies that are already operating within a specified dollar appropriation in the salary & benefits line item.</p>
<p></p>	<p><u>Funding & Classification Study</u> - Recommends an interim study on the "... Process of appropriating funds for salaries and wages and the state's classification system."</p>	<p>What is the purpose of another study? ●61st Leg conducted study of classification & compensation ●62nd Leg extended contract to implement study recommendation ●62nd Leg passed HB1031 with Comp Philosophy & directing implementation (no funding)</p>
<p></p>	<p><u>Health Insurance Study</u> - Recommends an interim study on "... The feasibility and desirability of establishing a maximum state contribution to the cost of state employee health insurance premiums."</p>	<p>Appropriate to study Health Insurance options and impact as federal Health Care Act matures and addresses details.</p>

Office of Management and Budget
Fiscal Management Division
January 2013



Sheila Peterson
AB 1015
3-13-13

5

#5

Testimony on HB 1015
Sheila Peterson, Director
OMB Fiscal Management Division
March 13, 2013

Good afternoon Mr. Chairman and members of the Senate Appropriations Committee. My name is Sheila Peterson. I am the Director of the Fiscal Management Division of OMB.

The Fiscal Management Division has four major areas of responsibility: budget, accounting, payroll, and financial reporting.

We measure our success in terms of peer evaluation. Our peer evaluations come through the Government Finance Officers Association (GFOA) of the United States and Canada. Our last Comprehensive Annual Financial Report (CAFR) again received the GFOA Certificate of Achievement for Excellence in Financial Reporting. We have received this award every year since 1991. Our last budget documents again received the GFOA Distinguished Budget Presentation Award. We have received this award every biennium since 1993.

Ninety-four percent (94%) of the Fiscal Management budget falls into two categories - data processing and salaries. All of our functions depend on technology and people. The remainder of our bigger expenses includes consultants and printing. Consultants are hired for revenue and economic forecasting, cost allocation, and assisting us in the statewide comprehensive annual financial reports. Printing expenses include the CAFR and all budget documents and W2s.

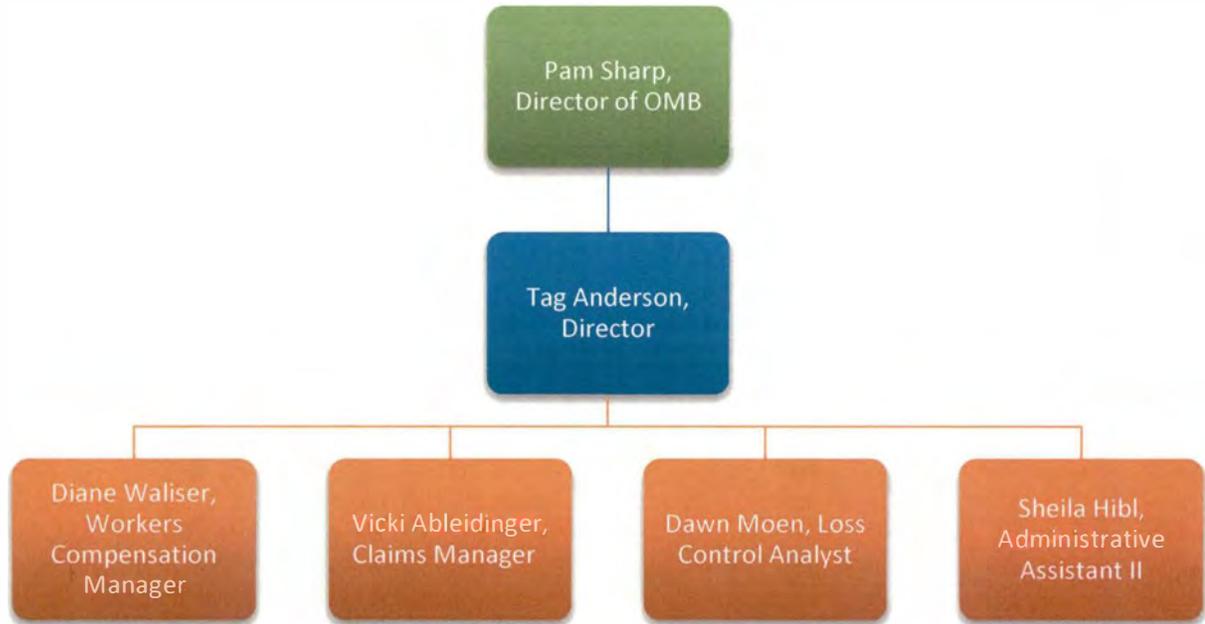
The only major change from our current appropriation to the Governor's recommendation is the compensation package.

Mr. Chairman, that concludes my remarks. I would be happy to answer any questions.

Tag Anderson
HB 1015
3-13-13

#6

Office of Management and Budget
Risk Management Division
January 2013



Testimony on HB 1015
Tag Anderson, Director
OMB Risk Management Division
March 13, 2013

Mr. Chairman, and members of the Senate Appropriations Committee, my name is Tag Anderson. I am the Director of the Risk Management Division of OMB.

The Risk Management Division was established to address the State's exposure to tort liability following the loss of sovereign immunity. The Risk Management Division has also been delegated the responsibility of administering the consolidated state agency workers compensation account.

The division staff consists of 5 FTE - the director, the manager of the risk management workers compensation program, a claims manager, a loss control analyst, and an administrative assistant.

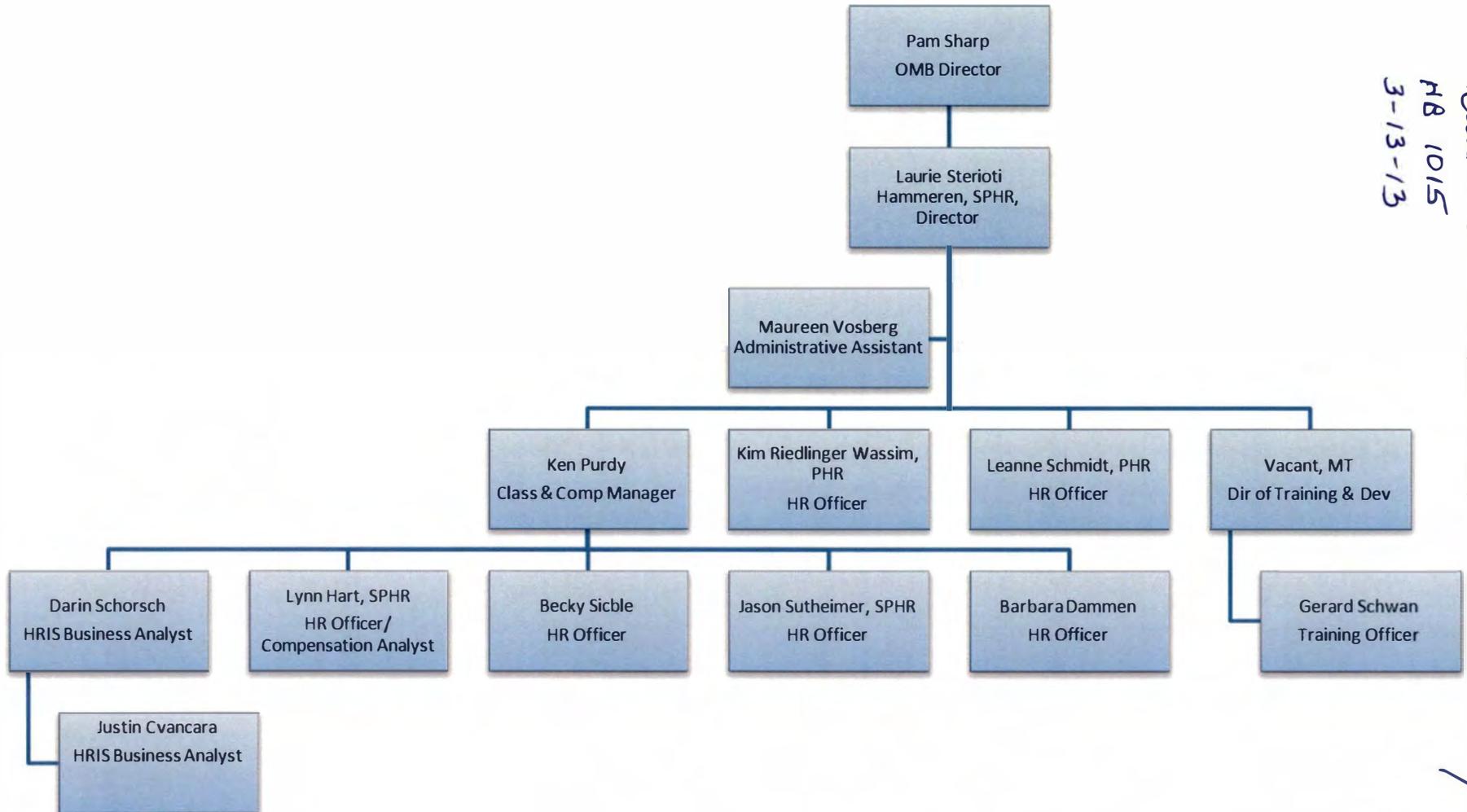
On the tort liability side, the division administers all claims and lawsuits filed against the State and state employees through the Risk Management Fund. Contribution rates for the Fund are determined by an actuarial review which includes a review of each state entity's loss history. State entities can reduce their required contributions if they can document that they have implemented pro-active loss control procedures pursuant to criteria established by the division that are designed to reduce the number and severity of claims and lawsuits.

On the workers compensation side, the risk management workers compensation program (RMWCP) continues to save workers compensation premium dollars through the establishment of the account that consolidated 143 state agency accounts, authorized a \$100,000 deductible per claim, and facilitated the cross agency return-to-work program.

The 2011 legislative appropriation was based upon \$1,437,289 for the division's budget. Our requested budget for 2013-15 biennium is \$1,482,282 all in special funds.

Thank you.

Office of Management and Budget
Human Resource Management Services Division
January 2013



Laurie Steriotti Hammeren
HB 1015
3-13-13

#7

Testimony HB 1015
Laurie Sterioti Hammeren, Director
OMB Human Resource Management Services
March 13, 2013

Good afternoon, Chairman Holmberg and members of the Senate Appropriations Committee. I am Laurie Sterioti Hammeren, Director of Human Resource Management Services (HRMS), a division of the Office of Management and Budget.

HRMS establishes and maintains classification and compensation plans as well as general policies and rules, which are binding on the affected agencies covering 7,167 classified employees.

HRMS has 13 FTE positions. We provide an array of services in four broad functional areas:

- Classification and compensation;
- Human Resource management support, consulting, and coaching;
- Employment services to include conflict resolution and mediation; and
- Training and development.

I, as the division director, also serve as the chair of the State Personnel Board.

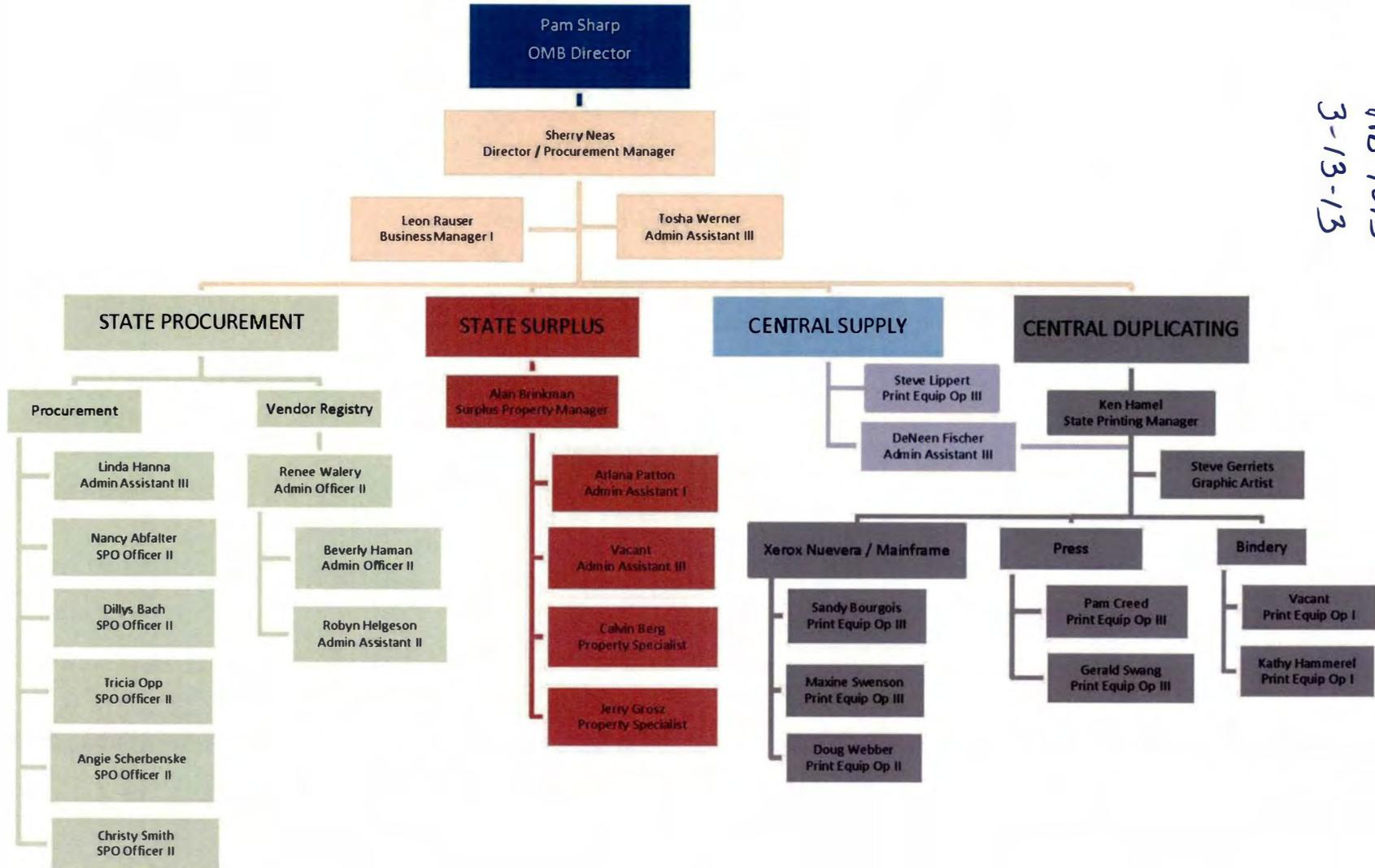
HRMS also provides significant resources and support to agencies through the continued development and maintenance of the HRMS website, www.nd.gov/hrms.

Our budget request for this next biennium is \$2,657,288 from the general fund. Ninety-three percent (93%) of HRMS' program costs are salaries. Operating expenses account for seven percent (7%) of HRMS' program costs. All of the division's services require human capital. Operating expenses focus on the services provided to agencies through printing, our website, and maintaining and developing staff expertise, as well as supplies and materials.

Changes for the 2013-15 biennium include wages and salaries that reflect the prior biennium's legislatively authorized salary increases. In addition, our request includes general funding for an existing full-time position that was special funded and has been transferred from another division within OMB. This position was added to HRMS to support the implementation and maintenance of the HR management of PeopleSoft.

Mr. Chairman, this concludes my remarks. I would be happy to answer any questions.

Office of Management and Budget
 Central Services Division
 January 2013



Sherry Neas
HB 1015
3-13-13

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Testimony on HB 1015
Sherry Neas, Director
OMB Central Services Division
March 13, 2013

Chairman Holmberg and members of the committee, my name is Sherry Neas, director of the OMB Central Services Division. Our division operates four programs.

One program is general funded. The State Procurement Office establishes state contracts for goods and services, assists agencies with their purchases, and hosts a state bidding opportunities website. Its Vendor Registry section administers the PeopleSoft/Oracle vendor database and purchasing.

Three programs are special funded. These programs are self-supporting, and charge reasonable fees to recover the cost of operations:

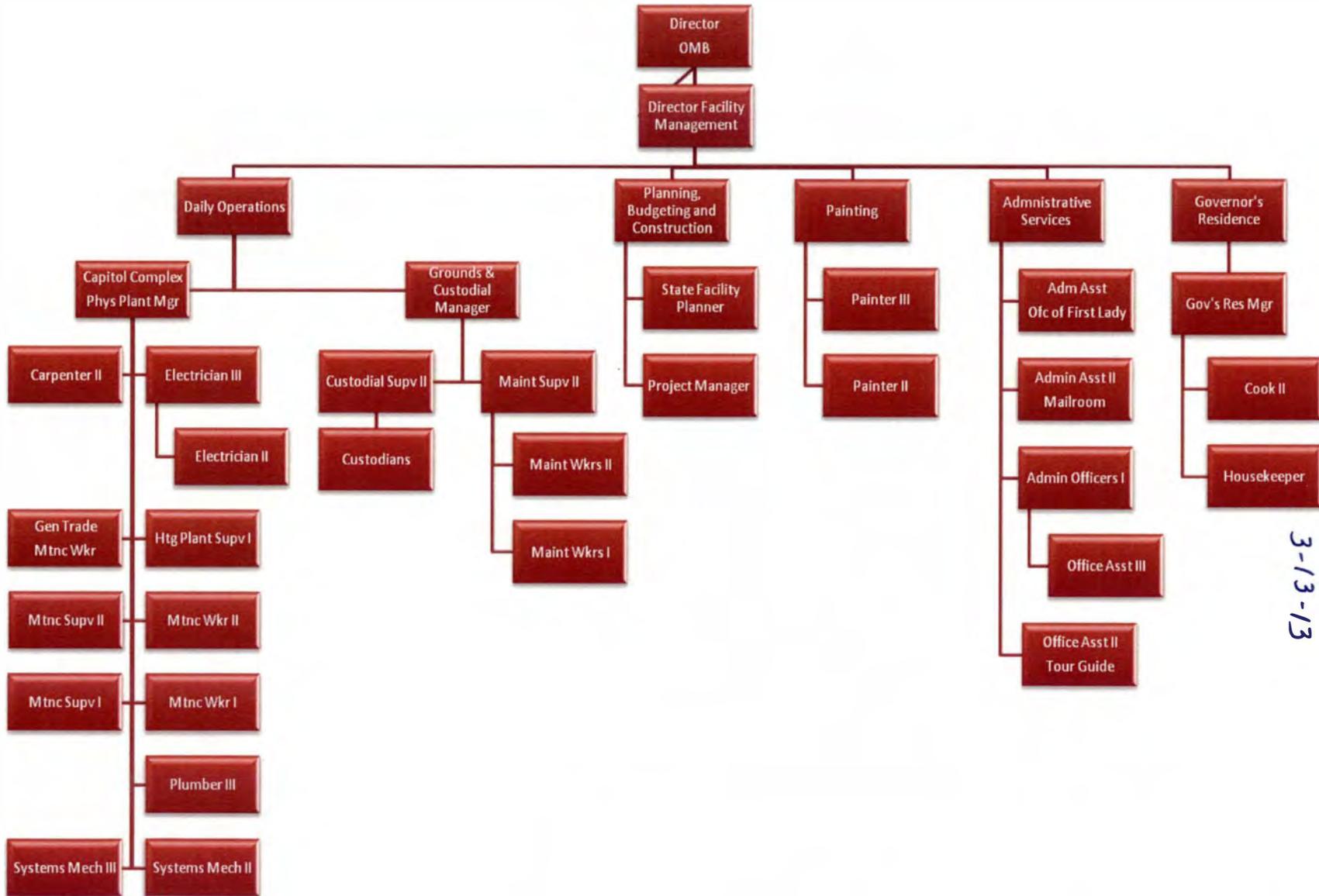
- Central Duplicating provides printing service for state government entities.
- Central Supply provides office supplies and paper products to state agencies.
- State Surplus Property distributes state and federal surplus property to state agencies, political subdivisions, and eligible non-profit entities.

The total budget request for Central Services Divisions is \$7,233,824. The budget is 25% General Fund and 75% Special Funds. The net overall budget increased \$564,769.

- This budget increase was primarily special fund operating which is used to acquire inventory for surplus property, printing, and supply. Increased special fund spending authority is primarily needed to purchase federal surplus property for distribution to state agencies, political subdivisions, schools, and other eligible organizations due to inflation and business volume
- Salaries make up 50% of the total budget, and 54% of salaries are special funded.
- Salaries increased to continue the 2011-13 legislatively authorized increases.
- One FTE position was transferred to HRMS, so total authorized employees were reduced to 28.

Mr. Chairman, this concludes my testimony. I will be happy to answer any questions.

Office of Management and Budget
Facility Management Division
 January 2013



John Boyle
 HB 1015
 3-13-13

9

Testimony on HB 1015
John Boyle, Director
OMB Facility Management Division
March 13, 2013

Good afternoon Chairman Holmberg and members of the Senate Appropriations Committee. My name is John Boyle. I am the Director of the Facility Management Division within the Office of Management and Budget.

The Facility Management Division is currently comprised of 62.5 full-time employees. As Ms. Sharp mentioned in her testimony, we are decreasing our full-time employees by one for the coming biennium. These employees provide central mailroom and tour guide services as well as custodial, grounds and landscaping, and maintenance services within the Capitol Complex. These state employees ensure the public, elected officials, appointed officials, and other state employees working within the Capitol Complex are provided a safe, clean and friendly environment.

We are requesting \$20,339,968 in general fund spending authority for the next biennium. The amount requested from the general fund is a 9.4 percent increase from the budgeted amount requested two years ago.

This 9.4 percent increase is attributable to the recommended salary increases and additional extraordinary repair expenses associated with one-time spending.

Fifty-three percent of my Division's budget falls into two categories-salaries and benefits and operating expenses. The three largest items within the operating expenses are monthly utilities, daily repairs and daily maintenance. The remaining 47 percent of the budget accounts for our extraordinary repairs, maintenance and equipment. The items within this category include the terrazzo floor cleaning and repair in the Capitol and Judicial Wing, the second phase of the Remodeling of the Capitol's South Entrance, the second phase of the Redesigned North Parking Lot, Cafeteria Corridor and Loading Dock Expansion, and the Legislative and Judicial Wing Envelope Restoration and Cleaning.

The Capitol and Judicial Wing terrazzo project includes the cleaning and repair of all the terrazzo located in each of these buildings. This project was approved in the 2009-2011 biennium however these funds were utilized for the server room electrical and mechanical enhancements. Terrazzo floors are located in the elevator lobby of each floor in the Capitol and each floor of the atrium in the Judicial Wing.

The Envelope Restoration project includes the replacement, repair or reattachment of identified limestone panels on the Legislative and Judicial Wings of the Capitol and the cleaning of all the limestone. The \$1.5 million estimate was obtained after the completion of the Capitol tower restoration and cleaning project.

The capitol grounds planning commission has approved and prioritized two projects totaling \$5 million of projects out of the general fund. These projects include the second phase of the Redesigned North Parking Lot, Cafeteria Corridor Remodel and Loading Dock Expansion and the second phase of the Remodeling of the Capitol's South Entrance. The first phase of the parking lot project included the newly constructed 280 space parking lot. The first phase of the Capitol south entrance includes the exterior portion of the project. We have funding in the current biennium for this phase of the project. This project will commence prior to the end of the biennium. Phase two will include the monumental steps and interior finishes within the tunnel located under the stairs. The capitol grounds planning commission requested we include these requests in our budget. The House Appropriation Committee removed this project from the Governor's recommendations. At this time we are requesting this committee reverse the actions of the House Appropriation Committee and restore this project and its \$4 million in general fund spending authority to our bill.

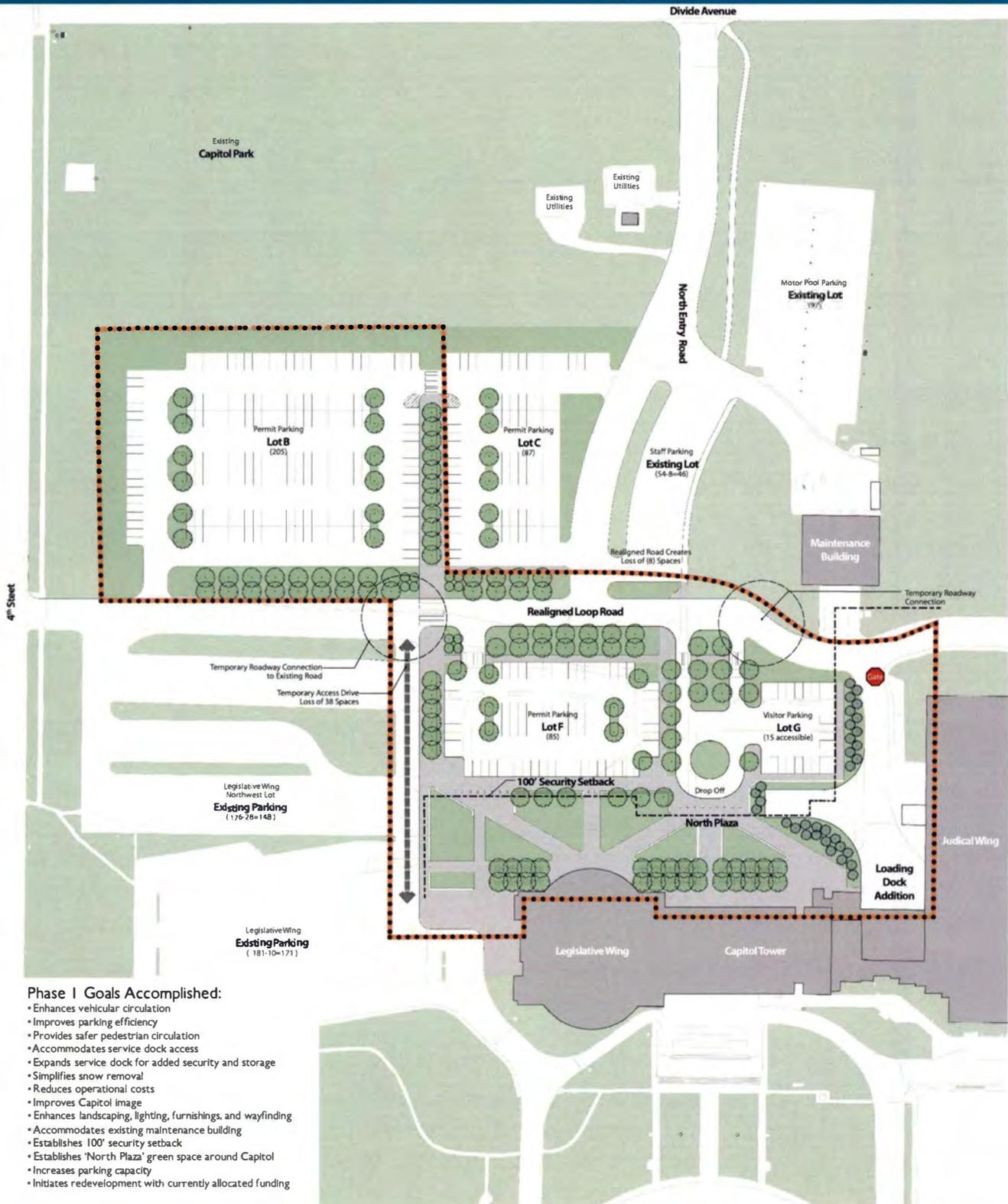
Facility Management takes pride in providing a safe, clean and friendly environment to all those using the Capitol Complex. It is our goal to ensure that we maintain these standards each biennium. Facility Management measures our effectiveness by utilizing our work order management system and by conducting surveys.

Mr. Chairman, this concludes my prepared remarks. At this time, I would be happy to answer any of your questions.

PHASE I DEVELOPMENT CONCEPT

INCLUDED:

- Lot B
- Lot F
- Lot G
- North Plaza
- Loop Road (partial)
- Loading Dock



Phase I Goals Accomplished:

- Enhances vehicular circulation
- Improves parking efficiency
- Provides safer pedestrian circulation
- Accommodates service dock access
- Expands service dock for added security and storage
- Simplifies snow removal
- Reduces operational costs
- Improves Capitol image
- Enhances landscaping, lighting, furnishings, and wayfinding
- Accommodates existing maintenance building
- Establishes 100' security setback
- Establishes 'North Plaza' green space around Capitol
- Increases parking capacity
- Initiates redevelopment with currently allocated funding

Establishing An Image & Improving Security

March 2013

North Dakota State Capitol

Building Foreground, Entrance Sequence Enhancement, & Parking Replacement

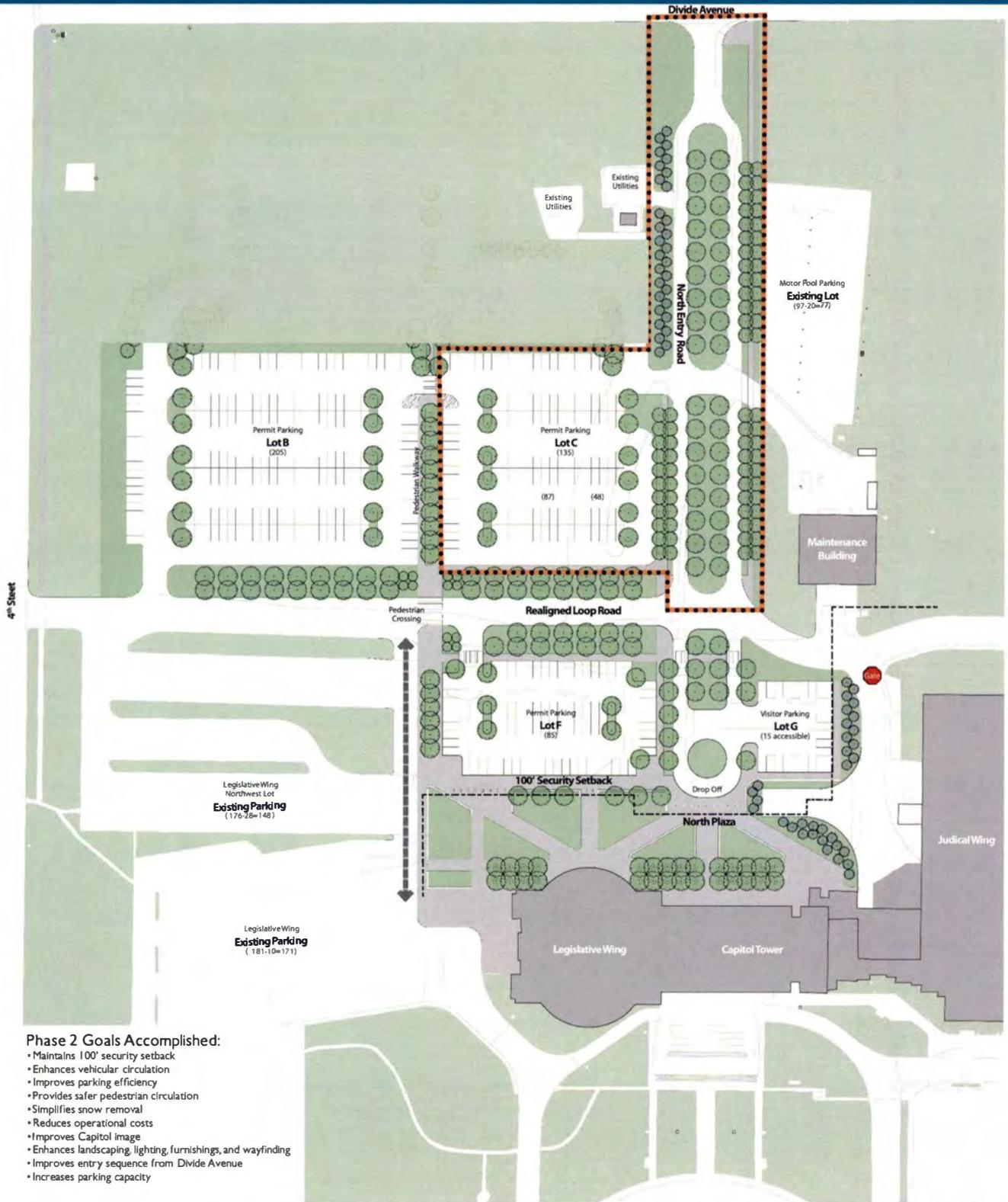


Klein McCarthy Architects + Damian Farber Associates

PHASE 2 DEVELOPMENT CONCEPT

INCLUDED:

- Lot C (partial)
- North Entry Road



Phase 2 Goals Accomplished:

- Maintains 100' security setback
- Enhances vehicular circulation
- Improves parking efficiency
- Provides safer pedestrian circulation
- Simplifies snow removal
- Reduces operational costs
- Improves Capitol image
- Enhances landscaping, lighting, furnishings, and wayfinding
- Improves entry sequence from Divide Avenue
- Increases parking capacity

Establishing An Image & Improving Security

March 2013

North Dakota State Capitol

Building Foreground, Entrance Sequence Enhancement, & Parking Replacement



Klein McCarthy Architects + Damon Farber Associates



ROUGH RIDER ROOM







Prairie Public Broadcasting, Inc.
Television
Radio
Educational Services
Enterprise

John E. Harris III

HB 1015
3-13-13

#10

Senate Appropriations Committee
HB 1015

March 13, 2013

Prairie Public Broadcasting has served the citizens of North Dakota for more than forty-seven years with quality media services that educate, involve and inspire. Since its inception, Prairie Public has been a public/private partnership relying on support from local, state and federal sources.

Attached is a list of projects for which Prairie Public is seeking funding assistance. While these are not the total needs for Prairie Public, these are projects that require attention. The projects total \$4,555,000.

In the 2011-2013 biennium, Prairie Public's appropriation was reduced – from \$1,337,138 to \$1,000,000. Additionally, \$500,000 in capital dollars that the Senate Appropriations Committee recommended was not funded. While Prairie Public has made great strides to maintain industry standards, the organization's infrastructure still has significant needs.

The Governor's budget for the 2013-2015 biennial session reinstates \$337,138 to our appropriation and recommends \$700,000 for one time only funding.

Prairie Public will continue to seek matching grants to assist with the funding where possible, but grant programs are more competitive than ever before. If grant opportunities are unsuccessful, we will prioritize and complete projects with the funding available.

If you have any questions, please do not hesitate to contact me.

Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "John E. Harris III".

John E. Harris III
President & CEO

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PO Box 3240
Fargo ND 58108-3240
701-241-6900 800-359-6900
701-239-7650 Fax

Bismarck Office
1814 North 15th Street
Bismarck ND 58501
701-224-1700
701-224-0555 Fax

Prairie Public, Manitoba
PO Box 2640
Winnipeg MB R3C 4B3

www.prairiepublic.org
info@prairiepublic.org

Prairie Public Capital Funding Estimated Costs

Category	Item	Projects	Est. Costs	Totals
Equipment	1.)	Fargo Studio Lighting & Audio Equipment Package	350,000	
	2.)	Bismarck Studio Cameras and Lighting Package	550,000	
	3.)	Television Network MPEG HD Encoder Package	200,000	
	4.)	HD Production/Editing Equipment Package	300,000	
	5.)	Studio Satellite Dish and Uplink Amplifier Replacement	125,000	
	6.)	Radio Network Audio Processing Package	230,000	
				1,755,000
Transmitters	7.)	KSRE (Minot) Analog Antenna/Line Removal	125,000	
	8.)	KBME (Bismarck) Analog Antenna/Combiner Removal & New LED Tower Lights	150,000	
	9.)	KFME (Fargo) UHF Antenna/Combiner Removal	125,000	
	10.)	KDSE, KBME, KSRE, KFME TX Building Ventilation Systems	300,000	
	11.)	Flood Protection Ring Dike (Ardoch, ND Site)	100,000	
				800,000
Facilities	12.)	Fargo Studio Window Replacement (North and South Sides)	200,000	
	13.)	Fargo Studio Mechanical, Elevator, Lighting and Fire Alarm Equipment	500,000	
				700,000
Network	14.)	Microwave Shelter Replacements - 22 sites.	550,000	
	15.)	Microwave Interconnection Transport IP Upgrade	750,000	
				1,300,000
Total				4,555,000

**North Dakota 2013-2015 Biennium
Capital Equipment Project Summaries
Prairie Public Broadcasting, Inc.**

- 1.) Equipment necessary to replace the studio lighting system at the Fargo facility. The existing lighting system is over 25 years old and was not designed for high definition camera operation. This energy efficient system would utilize the latest in LED lighting technology.

The proposed audio equipment includes a digital mixer, intercom and monitoring system associated with the Fargo studio to replace the existing analog equipment.

- 2.) Equipment for television studio conversion to digital and allow high definition (HD) productions at the Bismarck studio facilities.

Requested equipment includes HD studio cameras, studio lighting package, production switcher, monitors and conversion equipment to replace obsolete analog studio production equipment currently used at the Bismarck studio.

- 3.) High definition encoding equipment used in the Bismarck and Fargo studios that would replace old and obsolete encoders that are no longer supported by the manufacturer and lack important features now available in new products. Failure of the existing encoders would prevent programming distribution across the statewide network.
- 4.) The digital production equipment includes high definition field cameras, lighting, microphones and editing equipment to enhance Prairie Public's ability to capture and produce local content throughout the region.
- 5.) Prairie Public receives many of its education programs through a steer-able C-Band satellite dish mounted on the roof of the Fargo Civic Center located near the downtown studio facility. The existing 3.8 meter satellite dish is no longer dependable, with its fiberglass construction becoming delaminated, thus requiring replacement. In addition, the tube type amplifiers used as part of Prairie Public's satellite uplinking system are in need of replacement. Parts for the existing amplifiers are no longer available. The uplink amplifiers would be replaced with the solid-state type currently available.
- 6.) FM audio processing equipment associated with the 10 radio transmitters in Prairie Public's statewide radio network. This equipment would provide consistent and improved sound quality on both its main and HD digital channels for all its FM stations.
- 7.) Prairie Public is concerned about the overall structural integrity of the broadcast tower that supports the KSRE digital antenna serving Minot and the surrounding

area. The KSRE digital antenna and transmission line were side-mounted on an existing 1031' tower that was not designed for this additional loading. To restore the tower's structural loading and safety margins, funding is requested to remove the decommissioned analog antenna and associated transmission line as part of the final digital conversion cost for this station. Removal is estimated to significantly decrease wind loading and would eliminate 11,350 pounds of dead weight.

- 8.) Prairie Public is concerned about the overall structural integrity of the broadcast tower that supports the KBME digital antenna that serves Bismarck and the surrounding area. The KBME digital antenna and transmission line were side-mounted on an existing 1088' tower that was not designed for this additional loading. To restore the tower's structural loading and safety margins, funding is requested to remove the decommissioned analog antenna and associated transmission line combiners as part of the final digital conversion cost for this station. Removal is estimated to significantly decrease wind loading and would eliminate 11,250 pounds of dead weight. A new LED tower lighting system would be installed per FAA specifications.
- 9.) Prairie Public is concerned about the overall structural integrity of the broadcast tower that supports the KFME digital antenna that serves Fargo and the surrounding area. The KFME UHF digital antenna and transmission line combiner were side-mounted on an existing 1178' tower that was not designed for this additional loading. To restore the tower's structural loading and safety margins, funding is requested to remove the decommissioned UHF antenna and associated transmission line combiners as part of the final digital conversion cost for this station.
- 10.) For reliable and long-term operation of the KDSE, KBME, KSRE, KFME and KJRE transmitters, proper cooling of the equipment is vital. Not only does proper cooling extend equipment life, but it also reduces off-air outages and service calls. Prairie Public is requesting funding to improve the mechanical air handling capabilities of referenced transmitter buildings.
- 11.) Prairie Public's KUND-FM radio and microwave tower located north of Grand Forks has been within inches of springtime flooding multiple times. Project funding would allow for the construction of a ring dike around the transmitter and electrical generator buildings to protect this site from any potential future flood damage.
- 12.) The proposed window replacement project will significantly improve the overall appearance of our downtown Fargo studio building. The proposed windows in need of replacement are original to the building constructed in 1954. The metal frames have severe corrosion and the window seals have deteriorated beyond repair. The existing windows are not energy efficient by today's standards and do not meet the current fire code requirements. The new windows will be fire rated,

energy efficient and will minimize air infiltration, thus reducing the amount of unfiltered air entering our building. This will positively impact the environmental climate within our technical facility.

13.) Prairie Public's Fargo studio building was built in the early 1950s and significant improvements have been made to the building since we moved into the facility over 25 years ago. Unfortunately, many of the building components are original and are long overdue for replacement. Funding is requested for the following items:

- Replace the original asbestos insulated and corroded steam piping and registers used throughout the building as part of the main heating system.
- Replace the original building fire alarm system that is outdated and no longer serviceable.
- Replace the roof mounted HVAC mechanical unit used to heat and cool the 4th floor of office areas.
- Replace the original main passenger and freight elevator controls and hydraulic rams used in the building.
- Update and replace the original of fice and hallway ceiling lights for greatly improved energy efficiency.

14.) Proposed cost of replacing all 22 microwave repeater shelters in the state network. The original 8' X 12' equipment shelters have moisture problems, resulting in the decay of the structural wall and ceiling members. Moisture also has resulted in the buildup of mold in the stud and ceiling joist cavities.

15.) Proposed cost to upgrade our microwave distribution system from the Asynchronous Transfer Mode (ATM) format to an Internet Protocol (IP) format that would eliminate the old ATM equipment that is obsolete and no longer supported by manufacturers. All broadcast network equipment is now IP based, allowing us to easily interface with the upgraded microwave system. The FCC has also changed its "final link" rule, allowing us to increase the microwave radio capacity to our remote transmitter sites that will greatly benefit our transmitter remote control systems and transmitter site network speeds.



2011 Annual Report



Prairie Public Broadcasting, Inc.

(Fiscal Year 2011 began October 1, 2010, and ended September 30, 2011.)



Prairie Public Broadcasting provides quality radio, television, and public media services that educate, involve, and inspire the people of the prairie region.

Prairie Public Broadcasting is a trusted public media service dedicated to building an exciting and productive future for our region and its people by offering a window on the world and creating a forum for discussion of important issues.

When you support Prairie Public, your contribution goes to work to make great television and radio programs happen. It works to secure the very best of PBS and NPR programming, along with high-quality, original productions created to meet your interests and needs.

Individual and community support is a crucial part of Prairie Public's success, and this annual report celebrates our dedicated partners and contributors.



Prairie Public is a member of the Public Broadcasting Service, a private, nonprofit corporation that provides quality television programming and related services.



Prairie Public is a member of NPR, a privately supported, nonprofit membership organization that serves its audience in partnership with independently operated, noncommercial public radio stations.

On The Cover: Celebrating 30 years of radio service with a ribbon cutting ceremony outside the Bismarck studio; radio music hosts Ted Quanrud and Scott Prebys in the Bismarck studio's music library; videographer Ben Stommes in the Fargo television studio; Prairie Public board member Rich Becker and his wife, Joanne; videographer Frode Tilden on assignment; ND Secretary of State Al Jaeger and radio news reporter Todd McDonald at radio's 30-year celebration; Cat in the Hat greeting children at Share A Story; staffers Rachal Thompson and Morgan Jenkins.

*PAGE 4: Taping **Prairie Musicians**; the **Salt of the Earth** premiere.*

*PAGE 5: Producer Matt Olien (center) at a **Café Perspectives** taping; director of television Bob Dambach on location; guest Gail Asper on **Prairie Pulse** with host John Harris.*

PAGE 6: News director Dave Thompson reporting from a National Guard helicopter; reporters Todd McDonald and Danielle Webster.

*PAGE 7: Radio host Mike Olson; director of radio Bill Thomas on location; Bill Thomas, John Harris, and a guest recording a **Café Chat**.*

*PAGE 8: Children at **Share A Story** and the **Winnipeg Baby and Kids Show**.*

PAGE 9: Education services associate Jamie Anderson; children enjoying online learning; community engagement coordinator Morgan Jenkins with painter/teacher Buck Paulson.

Work Worth Doing

I believe in the positive power of public media. The staff at Prairie Public, our governing board, and our advisory boards agree—there's a vital need for the quality radio, television, and educational services that public media provides. Our work is "worth doing."

Our viewers, listeners, and supporters agree.

Of course, that opinion is not limited to our corner of the globe. In fact, national research* shows that in 2011—for the ninth consecutive year—public television was rated as the most trusted institution in the United States. Additionally, PBS and its member stations were called the "most fair" network for news and public affairs.

Public media's educational services are innovative and highly effective, so it's no surprise that the study named PBS KIDS as the "most educational" television/media brand, the safest destination for children to watch television or visit online, and the top provider of content that helps children build reading and math skills.

Our respected partner in radio, NPR, was rated in the research as being exceptionally fair and balanced. Prairie Public reporters strive every day to live up to those high standards—producing stories that treat all views fairly, aggressively challenging our own perspectives and pursuing a diverse range of others. We share those values with more than 900 public radio stations—resulting in a news network trusted by 26.8 million people each week.

These stats are important to us because your trust—and the value you get from public media—is at the core of our success and the true proof of our performance.

You helped us make 2011 an outstanding year. Our television and radio staff premiered a record number of local productions, our social networking efforts expanded, the numbers of web surfers visiting and using our web content and resources continued to grow, we participated in new community engagement activities, and our education services staff reached out to more parents, teachers, and caregivers than ever before. And we heard from the public that, yes, public media is "work worth doing."

We fully intend to continue and to expand this worthwhile work—using as a guide our community, our values, and our mission to educate, involve, and inspire. Thank you for your support. Thank you for your trust. And thank you for making our work worth doing.



Warmest regards,

A handwritten signature in dark ink, appearing to read "John Harris". The signature is stylized and written over a light blue background.

John Harris
President & CEO
Prairie Public
Broadcasting

* The research was conducted in January and February 2012 by the independent, non-partisan research companies Harris Interactive and ORC Online Caravan.

Prairie Public Broadcasting is committed to respect for the individual and our audience, to lifelong learning, civil discourse, and our regional identity. Those who work at Prairie Public Broadcasting take pride in our programming and our service, expressing it through honesty and accuracy, a strong work ethic, teamwork, workplace diversity, effective stewardship of gifts and talents, and good humor.



Prairie Public offers television for the curious mind. It respects your intelligence and is always there to inspire you, pique your interest, and enliven your daily life.

Prairie Public goes beyond the headlines of the day to offer solutions to our problems and to build connections that impact the economic and social health of our communities.



2011 Television Highlights

Public television is known and respected for its unmatched quality, variety of programs, and commitment to community. Nowhere else on your television dial can you find the world-class music, theatre, film, and dance that public television offers—all without commercial interruption.

With public television, you can explore the planets and the stars through **NOVA** and the natural world through **Nature**. **PBS NewsHour** presents a daily hour that is hailed as the most impartial news program on television. **Washington Week** ranks as the most interesting conversation of the week, and **Frontline**, recognized as “the last best hope for broadcast documentaries,” has won every major journalism award.

Public television also provides opportunities to develop hands-on skills: learn to sew, make a quilt, add a room onto the house, cook a soufflé, repair plumbing, invest wisely, paint a watercolor, or collect antiques. It can even assist in running a business.

Prairie Public belongs to the entire community and does not exist to market to audiences but to serve them, one individual at a time.

Learning doesn't end with your last degree. As long as our community asks who, what, where, why, when, or how, Prairie Public will help find answers. We are the community's most accessible, credible broadcasting resource for lifelong learning.

Prairie Public's television productions can examine local issues with breadth and depth that sound bites simply can't. Prairie Public's local productions leave lasting impressions on viewers and the community partners it supports.



2011 Prairie Public Productions

Byron Dorgan in the Halls of Congress
Cafe Perspectives
Chuck Suchy: Sure am Glad to be Around
Election Coverage
Fargo Film Festival Preview Show
Fish, Mercury and Nutrition: The Net Effects
Hydrogen: Nature's Fuel
Minot: When the Waters Recede
North Dakota Legislative Review
Prairie Musicians
Read ND: S.D. Nelson
Salt of the Earth
Water: The Lifeblood of Energy
Wetlands: The Drain Game

Ongoing Series

Painting with Paulson, Season Twelve
Prairie Mosaic, Season Two
Prairie Pulse, Season Nine

Telly Awards

The Telly Awards honor the very best local, regional, and cable television commercials and programs, as well as the finest video and film productions and work created for the web.

Silver Award: Film/Video
Homesteading

Bronze Award: Film/Video
A Considered View:

The Photography of
Wayne Gudmundson
It's All Earth and Sky

As broadcasters back away from covering local government and policy issues, Prairie Public continues to be the "town square" for our region, providing a venue for the exchange of ideas, commentary, and discussions.





Each year, more live radio broadcasts are added to the local broadcast schedule—from the state fair, the capitol, public forums, business summits, and even from a National Guard helicopter.

Prairie Public is widely recognized for the excellence of its radio news broadcasts. But our greatest reward is the knowledge that we are a trusted partner in the everyday lives of thousands of our listeners.



2011 Radio Highlights

Public radio is a unique voice on the broadcast dial. In partnership with NPR, PRI, American Public Media, and independent producers, Prairie Public's music, news, and entertainment programs report not only what's happening in our world, but also why it's happening and what it means to the listening audience. We are not just a presenter, but also a representative.

Concerned citizens appreciate public broadcasting's political and election coverage, with discussion of the process, live reports from national and regional events and vote tabulation sites, candidate biographies, debates, and online voter guides providing the essential tools that voters need.

Prairie Public is a primary information source for thousands of listeners who appreciate national news coverage from **Morning Edition** and **All Things Considered** and regional coverage from the Prairie Public radio news team. Listeners have come to expect Prairie Public to provide the very finest in news and information radio programming—we go beyond the headlines to offer meaning and context to world, national, statewide, and local events.

Prairie Public's music programming continues to expand, with split feeds of classical and roots, rock, and jazz serving unique audiences in different areas of the state.

Prairie Public rises to meet your expectations daily. And in what is increasingly rare among 21st century media, Prairie Public prides itself not on having the answers, but in always having the questions.



2011 Radio Special Projects

Cafe Chats

Dakota Air: The Radio Show

Election Coverage

**High Risk High: Youth Drinking
in North Dakota**

German Russian Food Traditions

German Russian School Memories

Minot: When the Waters Recede

Ongoing

Daily Newscasts and Reports

Dakota Datebook

Friday Night Swing

Hear It Now

Hour 23

Into the Music with Mike Olson

Just Jazz

A Little Night Music with Ted Quanrud

Mike Olson's Blues Cruise

Natural North Dakota

Notas Latinas

Plains Folk

Prebys on Classics

Why? Philosophical Discussions

About Everyday Life

Great Plains Associated Press Contest

The Associated Press is the essential global news network, delivering fast, unbiased news from every corner of the world.

The non-for-profit news cooperative honors excellence in reporting.

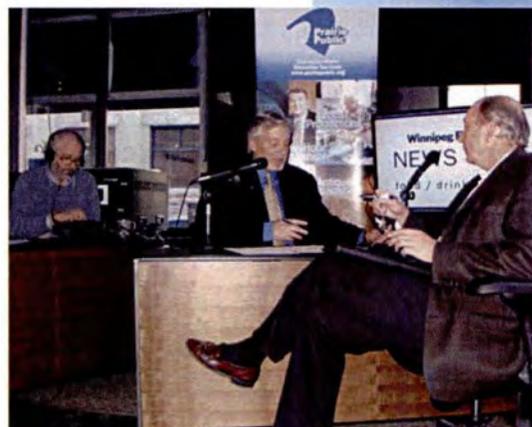
1st Sports **A day-long run for sled dogs**

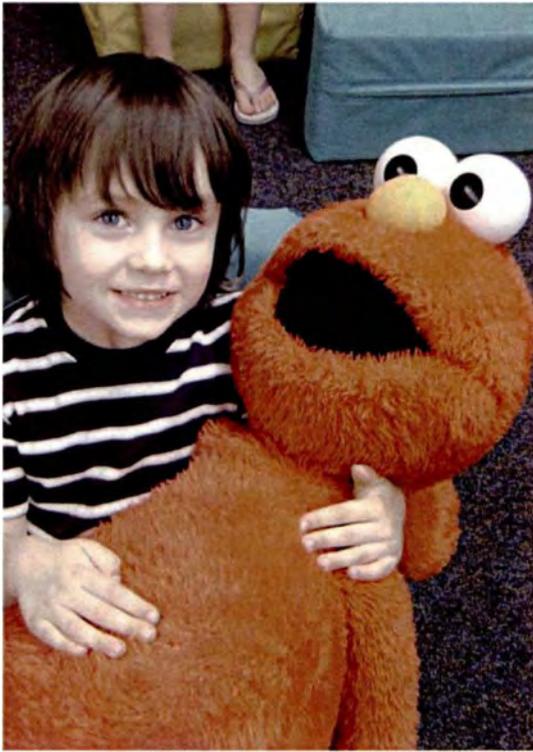
Todd McDonald

1st Feature **Honolulu? No, It's Fargo**

Danielle Webster

We have worked hard to build a reputation for accuracy, impartiality, and diligence, and we consider your trust the bedrock of our mission.





Of all the services we provide to our community, nothing surpasses Prairie Public's commitment to its youngest viewers. Prairie Public has long recognized the extraordinary influence television has on young minds and the responsibility we assume whenever they spend time with us.

Public television's children's programs are the most honored and respected on television—sweeping the Emmy awards children's category year after year and earning the trust of parents and families—and every PBS program has online resources for educators and families.



2011 Education Services and Community Engagement Highlights

Prairie Public is a key component in providing all ages with educational opportunities, but our education services team delivers to childcare providers and educators with exceptional enthusiasm—resources available 24/7, video on demand, lesson plans, family literacy events, professional development, and other services unmatched in the education industry.

Prairie Public offers tools to educate the young with trusted classroom resources that help teachers supplement lessons. **Teacher Training Institutes** from Prairie Public help teachers integrate history, culture, art, science, and mathematics into their curriculums using the newest technologies. Online resources available via Prairie Public, such as **PBS LearningMedia**, **PBS Teachers**, **TeacherLine**, and **Learn 360** bring together the best of public media for classroom use; and Prairie Public's **ND Studies** regional website provides a multitude of resources specifically about our prairie region—including clips from local documentaries.

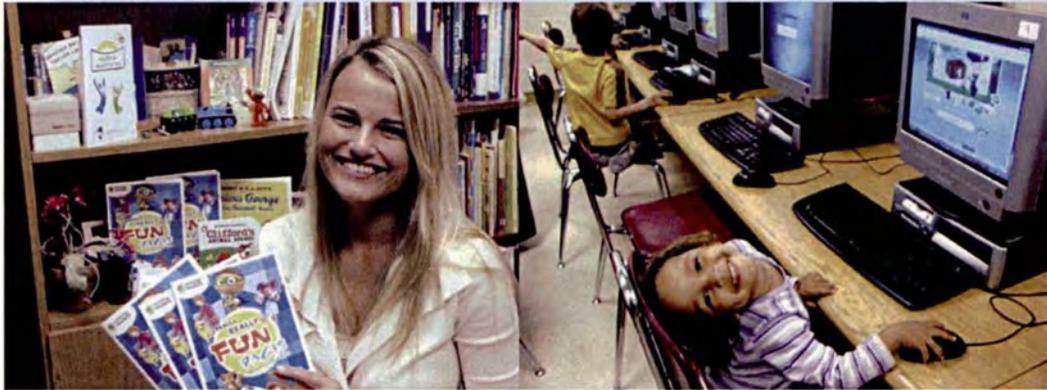
Prairie Public offers thousands of educational programs designed by educators for classroom viewing. Online multimedia curriculum support enhances the service and makes it easily accessible for busy teachers and homeschoolers. The education services website lists video series for easy searching, offers standards-based curriculum connections, links programs to other sites (in many cases with streaming video), and provides a monthly newsletter and schedules.

The education services team travels across the prairie region to present media-on-demand and programming resources, and our staff appears at many conferences throughout the year to provide hands-on, in-school workshops about all the resources offered.

Staff members also travel across the region with PBS walkaround characters, such as Clifford the Big Red Dog and Elmo, to participate in events that strengthen our ties with the community.

Prairie Public Library Corners placed in libraries across the region give families and caregivers the opportunity to strengthen their children's literacy skills. Each is equipped with multimedia resources including 26 interactive reading activities and corresponding DVDs.

We encourage a multi-media approach to learning by offering correlating websites for parents and caregivers and a safe, educational online space for interactive stories, games, and activities just for children.



We produce programs on issues of community importance and bring viewers together to identify solutions.

We partner with cultural institutions and universities to bring arts and culture, science and history to our audiences, and our local public affairs programs open the doors of museums and bring history alive.

Prairie Public Broadcasting is one of the premiere educational, social, and cultural institutions of our region—opening a gateway to every other organization with which we work.



As a public service, we benefit by improving the community on which we depend for support. We succeed to the extent that our children learn, our audience becomes engaged in topics that matter, and those within our communities join together for a common cause.

2011 Education and Community Engagement—Resources, Activities, and Sponsorships

- An Evening with Prairie Public Receptions**
- Baby and Kids Show**
- Celebration of 30 Years of Radio**
- Celebration of Women and Their Music**
- Dakota Air: The Radio Show**
- DaVinci: The Genius Exhibition**
- FMVA Studio Crawl**
- Grand Forks Public Library Summer Reading Event**
- Herb and Dorothy Vogel Exhibition at the Plains Art Museum**
- High Risk High Panel Discussions (4)**
- Instructional Resource/K-12 Services**
- K-12 Services Onsite Trainings (22)**
- Marc Brown Meet and Greet**
- Member Recognition Tree Plantings**
- Midwest Kid Fest**
- NDSudies.org**
- Buck Paulson Painting Workshops**
- Parents Fair**
- PBS Kids Go! Writers Contest**
- PBS, Prairie Public, NPR and Learn 360 Online Resources**
- PBS TeacherLine Classes**
- Preschool and Daycare Visits (20)**
- Prairie Bee Spelling Bee**
- Prairie Region Teacher Training Institutes**
- Sevareid Symposium**
- Share-A-Story Family Literacy Events (9)**
- Statewide Curriculum Conferences (9)**
- Winnipeg Convention Center Mardi Gras**
- Winnipeg Convention Center New Year's Eve Celebration**
- Winnipeg's Teddy Bear Picnic**

Performances

- Riverdance**
- Daniel O'Donnell**
- Josh Groban**
- Celtic Crossroads**
- Celtic Woman**
- Paula Poundstone**

Premiere Events

- Salt of the Earth**
- Wetlands: The Drain Game**
- Steamboats on the Red**

Prairie Public Broadcasting Boards and Councils 2010–2011

The Prairie Public Broadcasting family is fortunate to have dedicated, hardworking, and enthusiastic people to guide the organization and serve on its boards and advisory councils.

Prairie Public Broadcasting Board of Directors

The Board of Directors is the governing body of the organization, and members are appointed to serve two three-year terms.

Howard Barlow (Chair), Fargo, ND
Rich Becker (Vice Chair), Grand Forks, ND
Pat Berger (Treasurer), Grand Forks, ND
Rodney Biggs, Winnipeg, Manitoba
Dan Buchanan (Secretary), Jamestown, ND
Karen Ehrens (Past Chair), Bismarck, ND
Sharon Johnson, Minot, ND
Rita Kelly, Bismarck, ND
Leslie Malcolmson, Winnipeg, MB
Andy Maragos, Minot, ND
Deb Mathern, Fargo, ND
Dave Monson, Osnabrock, ND
Jerry Nagel, Lake Park, MN
Albert Samuelson, Bismarck, ND
Reeh Taylor, Winnipeg, MB
Ken Zealand (Past Chair and President
of Prairie Public Manitoba), Winnipeg, MB
John E. Harris III
(President & CEO), Fargo, ND

Television Community Advisory Board

The Television Community Advisory Board reviews the programming goals established and the services provided by Prairie Public and advises the Board of Directors whether the programming and other policies are meeting the specialized educational and cultural needs of the communities served.

Rodney Biggs, Winnipeg, MB
Cindy Burgess, Dickinson, ND
Janet Daley Jury, Bismarck, ND
Carol Jean Larsen, Bismarck, ND
Randall Mann, Fergus Falls, MN
Joy Query, Fargo, ND
Dean Schieve, Grand Forks, ND

Radio Council

The Radio Council was established to allow the three partners in the service—Prairie Public, North Dakota State University, and University of North Dakota—to be informed about the network's progress and plans and to provide input to management.

Paul Ebeltoft, Dickinson, ND
John E. Harris III
(President & CEO), Fargo, ND
Britt Jacobson, Park River, ND
Peter Johnson, Grand Forks, ND
Chuck Lura, Bottineau, ND
Laura McDaniel, Fargo, ND
Paul Nyren, Streeter, ND
Susan Podrygula, Minot, ND
Joshua Reidy, Grand Forks, ND
Dr. Thomas Riley (Chair), Fargo, ND
Albert Samuelson, Bismarck, ND
Connie Triplett, Grand Forks, ND
Dr. Craig Schnell, Fargo, ND

North Central Council for School Television

NCCST is an organization of public schools in North Dakota and northwest Minnesota that contracts with Prairie Public to create a virtual educational service unit and to provide links between educators and educational resources.

Diann Aberle, Milnor Public Schools
Dr. Rick Buresh, Fargo Public Schools
Merlin Dahl, Finley-Sharon Public Schools
Jeff Fastnacht (Past Chair),
Ellendale Public Schools
Patrick Feist, Enderlin Area Schools
Dr. David Flowers, West Fargo Public Schools
Dr. Robert Grosz, Fargo Public Schools
Larry Guggisberg,
Roseau Community Schools
Leslie Honebrink, St. Joseph's Catholic School
Jason Kersten, Bottineau Public Schools
Dr. Larry Nybladh,
Grand Forks Public Schools
Clarke Ranum, United Public School District 7
Dr. John Salwei, Bismarck Public Schools
Steve Swiontek, (Chair),
Devils Lake Public Schools
Robert Toso, Jamestown Public Schools
Tamara Uselman, Bismarck Public Schools
Mark Vollmer, Minot Public Schools
Bradley Webster, Rolette Public Schools

Prairie Public seeks enthusiastic, hard-working, dedicated people to serve on the Prairie Public Broadcasting boards. Anyone interested in serving is encouraged to inquire.

Prairie Public Broadcasting, Inc. Annual Financial Report for the Year Ending 9/30/11

Sources	Television		Radio		PPB
	Amount	%	Amount	%	Total
Membership	\$1,441,641	25%	\$373,684	22%	\$1,815,325
Underwriting	\$193,594	3%	\$191,293	11%	\$384,887
Corporation for Public Broadcasting ¹	\$1,062,526	18%	\$219,167	13%	\$1,281,693
Local Production Funding	\$253,398	4%	\$78,975	5%	\$332,373
State of North Dakota	\$738,318	13%	\$181,635	11%	\$919,953
State of Minnesota	\$507,088	9%	\$0	0%	\$507,088
Grants ¹	\$564,990	10%	\$280,175	16%	\$845,165
Fees, Rents	\$667,614	11%	\$230,918	14%	\$898,532
Charitable Gaming	\$371,753	6%	\$144,571	8%	\$516,324
Other	\$31,321	1%	\$6,232	0%	\$37,553
TOTAL SOURCES	\$5,832,243	100%	\$1,706,650	100%	\$7,538,893
Uses					
Programming & Production	\$2,487,630	48%	\$1,018,357	53%	\$3,505,987
Engineering	\$1,038,213	20%	\$243,945	13%	\$1,282,158
Administration	\$860,628	16%	\$334,688	17%	\$1,195,316
Fundraising	\$338,858	7%	\$69,856	4%	\$408,714
System Upgrade & Other	\$292,829	6%	\$204,469	10%	\$497,298
Change in Prairie Public Endowment	\$131,458	3%	\$51,123	3%	\$182,581
TOTAL USES	\$5,149,616	100%	\$1,922,438	100%	\$7,072,054
EXCESS (DEFICIT) SOURCES OVER USES	\$682,627		(\$215,788)		\$466,839

Financial data provided from Eide Bailly LLP audited financial statements of Prairie Public Broadcasting, Inc.

¹ Grants include unrestricted support for operations and grants for capital construction and equipment from the U.S. Department of Agriculture, Corporation for Public Broadcasting, and the U.S. Department of Commerce. Grants for capital construction and equipment totaled \$318,232 for television and \$112,316 for radio.

Local support comprised of membership and underwriting is the largest source of unrestricted support for Prairie Public Broadcasting, Inc.

Investors Circle Support

Prairie Public Broadcasting gratefully thanks the following Investors Circle members, a dedicated group of donors who have made gifts totaling \$1,000 or more between October 1, 2010, and September 30, 2011.



Gold Investors • \$5,000 to \$9,999

Dr. Idatonye and Linda Afonya, Crookston, MN
Joyce and Margaret Beggs, Winnipeg, MB
Jane Groves, Winnipeg, MB

Silver Investors • \$2,500 to \$4,999

Kent Conrad and Lucy Calautti, Washington, DC
Juliette and John Cooper, Winnipeg, MB
Paul and Gail Ebeltoft, Dickinson, ND
Dr. Rosanne Gasse, Brandon, MB
Michael M. Miller, Fargo, ND
Dick and Barb Owens, Minneapolis, MN
Al and Carol Samuelson, Bismarck, ND
Mary and Richard Scott, Winnipeg, MB
Gus and Mary Staahl, Fargo, ND
Jack Trueman, La Salle, MB
Joe Westby and Rita Kelly, Bismarck, ND

Bronze Investors • \$1,000 to \$2,499

Dr. F. E. and Kate Addo, Bismarck, ND
Jennifer, Cindy and Jay Anderson, Lloyd E. Anderson LP — Pinehurst, Bismarck, ND
John Andrist, Crosby, ND
Mr. and Mrs. Allen Arvig, Perham, MN
Margaret-Lynne and Jim Astwood, Winnipeg, MB
Orlin and Millie Backes, Minot, ND
Ray and Barbara Bailey, Winnipeg, MB
Howard and Dorothy Barlow, Fargo, ND
MacDonald and Taylor Barnes, Jamestown, ND
Richard and Joanne Becker, Grand Forks, ND
James Beeman, East Grand Forks, ND
Claudia Berg and Robert Matz, Bismarck, ND
Vivian E. Berg, Mandan, ND
Bob and Sally Berrell, Fargo, ND
Rodney and Anne Biggs, Winnipeg, MB
Kim and Barbara Booth, Fargo, ND
Dan and Francoise Buchanan, Jamestown, ND
Julie Burgum, Casselton, ND
Marilyn Burt, Winnipeg, MB
Arthur and Shirley Carlson, Bismarck, ND
Bill and Pat Cessford, Winnipeg, MB
Walter Christensen, Kenmare, ND
Jeffrey T. and Ann Clark, Fargo, ND
Bob and Virginia Dambach, Fargo, ND
Allan Denton, Winnipeg, MB
Lu Dunn, Bismarck, ND
Jane Dynes, Fargo, ND
Tom Edwards and Jackie McElroy-Edwards, Thompson, ND
M. Joy Erickson, Fargo, ND
R. D. Evitt, Williston, ND
Noel and Judith Fedje, Fargo, ND
Dr. and Mrs. Calvin K. Fercho, Fargo, ND
Dr. Marcus and Margaret Fiechtner, Bismarck, ND
Robert Fink, Lambert, MT

Dr. Walter and Carolyn Frank, Bismarck, ND
Bernice Goodman, Grand Forks, ND
Arthur Greenberg, Grand Forks, ND
Gerald Groenewold and Constance Triplett, Grand Forks, ND
John and Suzanne Harris, Fargo, ND
Jonathan and Maniphone Haug, Grand Forks, ND
Heidi Heitkamp, Inc., Mandan, ND
Flora A. Hine, East St. Paul, MB
John and Mikey Hoeven, Bismarck, ND
Josh Hoper, Fargo, ND
Andrew Ingalls, Fargo, ND
Christie Iverson and Greg Wentz, Bismarck, ND
Dr. Sharon Ervin Johnson, Minot, ND
James D. Kertz, Fargo, ND
Richard and Audrey Kloubec, Fargo, ND
Rob and Libby Knotts, Lambert, MT
Drs. Kimberly T. Krohn and John A. Fishpaw, Minot, ND
Todd and Susan Lahaise, Fargo, ND
Carol Jean Larsen, Bismarck, ND
Magnum Manufacturing LLC, Amenia, ND
Deb Mathern, Fargo, ND
Drs. Laura and Douglas Munski, Grand Forks, ND
Gerald and Jean Newborg, Bismarck, ND
Lee and Valerie Nordin, Grand Forks, ND
David Nygaard, Bowman, ND
Paul and Anne Nyren, Streeter, ND
John Q. Paulsen, Fargo, ND
John and Rebecca Petrik, Bismarck, ND
Ian and Donna Plant, Winnipeg, MB
Marjorie Reed, Winnipeg, MB
Norbert and Mirella Reilander, Winnipeg, MB
Eleanor Rensvold, Fargo, ND
John and Kathleen Risch, Bismarck, ND
John and Jean Rockey, Winnipeg, MB
Dennis and Anita Rohde, New Town, ND
Dean and Mary Schieve, Grand Forks, ND
William and Mary Schlossman, Fargo, ND
David and Marie Scott, Winnipeg, MB
Tom Steen, Grand Forks, ND
Rodney Steiman and Pauline Wood Steiman, Winnipeg, MB
Ken and Nola Storm, Fargo, ND
Reeh and Pamela Taylor, Winnipeg, MB
Terracon Development Ltd., Winnipeg, MB
Dave Thompson, Bismarck, ND
Alan D. and Phyllis Ann Thoren Fund, Winnipeg, MB
Joyce and Sidney Waldron, Winnipeg, MB
Patricia and Kenneth Zealand, Winnipeg, MB
Anonymous, Anchorage, AK
Anonymous, Winnipeg, MB (7)
Anonymous, Moorhead, MN
Anonymous, Bismarck, ND (3)
Anonymous, Fargo, ND
Anonymous, Jamestown, ND (2)
Anonymous, Minot, ND (2)
Anonymous, Richardton, ND

If we have inadvertently omitted or incorrectly acknowledged your support, please contact us at 800-359-6900, ext. 510.

Visionary Circle Support

Prairie Public Broadcasting recently established a new donor club—the Visionary Circle. Visionary Circle was developed as a way to honor those who have demonstrated visionary philanthropic leadership and cumulative lifetime giving of \$25,000 or more in support of Prairie Public's services. Prairie Public is grateful for the steadfast, substantial commitment of these charter members of Visionary Circle:



Stewards • \$50,000

Joyce and Margaret Beggs, Winnipeg, MB

Founders • \$25,000

Gloria Anderson, Fargo, ND
Noel and Judith Fedje, Fargo, ND
Walter and Carolyn Frank, Bismarck, ND
Dr. Rosanne Gasse, Brandon, MB
Jane Groves, Winnipeg, MB
Richard and Barbara Owens, Minneapolis, MN
John and Rebecca Petrik, Bismarck, ND
Al and Carol Samuelson, Bismarck, ND
Richard and Mary Scott, Winnipeg, MB
Gus and Mary Staahl, Fargo, ND
Jack Trueman, La Salle, MB

T. L. Donat Legacy Circle

Prairie Public extends special appreciation to members of the T. L. Donat Legacy Circle. Named for Dr. Ted Donat, Prairie Public's founder, the Legacy Circle provides an opportunity for donors to leave a thoughtful legacy to our region by making a provision for Prairie Public in their wills or through other estate gifts.



Gloria Anderson, Fargo, ND
Carl and Mary Hansen, Thief River Falls, MN
Paul Hunter, Winnipeg, MB
Carol Jean Larsen, Bismarck, ND
Barbara Owens, Minneapolis, MN
Richard Owens, Minneapolis, MN
Layton Raaen, Fargo, ND
Anonymous, Scottsdale, AZ
Anonymous, Winnipeg, MB (4)
Anonymous, Moorhead, MN
Anonymous, Sabin, MN
Anonymous, Fargo, ND (4)
Anonymous, Grand Forks, ND (2)
Anonymous, Kenmare, ND
Anonymous, Minot, ND
Anonymous, Richardton, ND
Anonymous, Towner, ND

If you have provided for Prairie Public in your will or trust, please let us know. By doing so, you will help us to plan for the future and will allow us to thank you for your outstanding commitment to the mission of public broadcasting.

Bequests

During fiscal year 2011, the following honored Prairie Public with gifts in their estates. With deep regard, we remember these friends for their special commitment to sustaining Prairie Public for future generations.

Estate of George William Battershill
Estate of Kathleen Oswald
Estate of Constance K. Wesner

If we have inadvertently omitted or incorrectly acknowledged your support, please contact us at 800-359-6900, ext. 510.

Endowment: Funding the Future

Prairie Public Broadcasting Endowment Fund

The fund, established in fiscal year 2007, is a board-designated fund comprised of unrestricted assets allocated to the fund in accordance with policies adopted by the board of directors. The purpose of the fund is to provide long-term general support to meet the financial needs of Prairie Public. The fund is managed by Bremer Trust based upon the investment policies approved by Prairie Public's Board of Directors. On September 30, 2011, the fund had a balance of \$559,173.

Other Endowment Funds

Through endowed gifts from many sources, Prairie Public has established endowment funds at the three foundations listed below. These professionally managed funds provide annual interest income that helps ensure the future of Prairie Public and enhance the quality of programming, education services, and outreach it provides to those in our region.

Prairie Public recognizes these foundations for managing the funds at their institutions and thanks all donors who have established or contributed to these endowed funds.

Endowment funds are listed below, as well as endowment gifts of \$25,000 or more.

Fargo-Moorhead Area Foundation *Fargo, North Dakota*

Dennis L. Falk Local Production Fund
Lucien C. Barnes and Edna Barnes Fund,
a component of the
Fargo-Moorhead Area Foundation
Prairie Public Broadcasting Endowment Fund

North Dakota Community Foundation *Bismarck, North Dakota*

Bismarck Prairie Public Television Fund:
Ruth Landfield
Otto Bremer Foundation
Bremer Banks Prairie Public Television Fund
Prairie Public Television Fund

The Winnipeg Foundation *Winnipeg, Manitoba*

Prairie Public Television Programming
Endowment Fund:
Anonymous Donor
Prairie Public Television (Manitoba), Inc.
Endowment Fund

Sponsor Support

Prairie Public thanks the following for investing \$1,000 or more in underwriting support for television and radio program services in fiscal year 2011.

7th Avenue Auto Salvage
AARP North Dakota
ABC Seamless
ACCI-CARE
Altru Health System
Amazing Grains
American Diabetes Association
Association of Manitoba Museums
Avant Hair & Skin Care Studio
Bank of North Dakota
Bartlett & West
Basin Electric Power Cooperative
Benedictine Health System
Bethany Retirement Living
Bikram Yoga
Bismarck Mandan Civic Chorus
Bismarck Mandan Symphony
Bismarck Sewing & Quilting
Bismarck State College
Blue Cross Blue Shield of ND/Noridian
Calm Air
Charterhouse Hotel
Children's Hospital Foundation of Manitoba
Cornerstone Dental
Cottonwood Golf & Country Club
Creative Kitchen
Curtis Construction Company
Curtis Tanabe, DDS
Dakota Eye Institute
Dakota Stage
Dan's Supermarket
Destination Churchill
DFC Consultants
Dickinson State University
EAPC
Edward Jones
Elim Rehab & Care Center
Eventide
Fair Hills Resort
Family Vision Clinic
Fargo Moorhead Civic Opera
Fargo Psychiatric Clinic
Farmers Union Insurance
FMVA Studio Crawl
Foot Solutions
Frontier Americana of Fargo
Gate City Bank
Great River Energy
Happy Harry's Bottle Shops
Harmon Glass Doctor
Hartz Foundation
Heart Institute of North Dakota
High Plains Reader
Holiday Inn Fargo
Horizons Magazine
Hornbacher's Foods
Hotel Donaldson
Humphry Inn & Suites
Independent Living Resource Centre
Inn at the Forks
J & R Vacuum & Sewing Centers
J.W. Pepper
Jade Presents
JAQ's Garage
Keepseagle v. USDA
Knight Printing
Live Nation
Logix
Lundeen Foundation/Victor Lundeen Company
Mainstay Suites Winnipeg
Mike's Pizza & Pub
Minot State University
Minot Symphony Orchestra
Mojo
Montana Tourism
Native American Trust
NDSCS
NDSU Division of Fine Arts
NDSU Memorial Union Gallery
Neil Bardal Funeral Centre
Nilles Law Firm
Nodak Mutual Insurance
Norsk Hostfest
North Dakota Association of Rural Electric Cooperatives
North Dakota Education Association
North Dakota Living Magazine
North Dakota Solid Waste & Recycling Association
North Dakota Teen Challenge
North Dakota Wheat Commission
Otter Tail Power Company
Park Christian School
Prairie Business Magazine
Prairie Stained Glass
Ramkota Hotel of Bismarck
RCA Museum
Remax-Gary Davlut
Retina Consultants
Rhombus Guys
Scan Design
Sewing Machines Plus
Sharehouse
South Beach Casino
Spirit Room
St. Alexis Medical Center
St. John's-Ravenscourt School
Stained Glass Workshop
Starion Financial
The Old House Revival Company
Today's Giving Magazine
True North Sports & Entertainment
Twin City Garage Door
UND Chester Fritz Auditorium
United Automotive Tech Center
United Tribes Technical College
University of Mary
Urgent Med
Valley Imports
Victoria Lifeline
Vogel Law Firm
West Acres Shopping Center
Winnipeg Art Gallery
Winnipeg Convention Centre
Xcel Energy
Zandbroz Variety
Zealous Medispa
Zuger Kirmis & Smith

Additional Support

A broad base of individual, corporate, and foundation support generates substantial municipal, state, and federal support for Prairie Public Broadcasting's services. Funds support operations, capital improvements, and specific outreach programs and productions. Prairie Public received support from the following in fiscal year 2011.

AARP
Altrusa International of Fargo
Berdie and Irvin Cohen Memorial Fund
through the Jewish Foundation of Manitoba
David and Ruth Borlaug
Mr. Robert Chabora
Corporation for Public Broadcasting
The Dakota Institute of the
Lewis & Clark Fort Mandan Foundation
Division of Mental Health & Substance
Abuse Services of the North Dakota
Department of Human Services
Ducks Unlimited Canada
Energy and Environmental
Research Center—U.S. Department
of Energy NETL Program
Fargo-Moorhead Area Foundation
Fargo, West Fargo, and Moorhead
through an Arts Partnership grant
A. Flegel
Gate City Bank
Germans from Russia
Cultural Preservation Society
Hal and Kathy Gershman Family Foundation
Governor's Prevention Advisory Council
Dr. Gerald H. Groenewold
Jewish Foundaton of Manitoba
Lake Agassiz Regional Council
Carol Jean Larsen
Lignite Energy Council
Maria Kaiser MacTavish
Michael M. Miller
Minnesota Arts and Cultural Heritage Fund,
with money from the vote of the people
of Minnesota on November 4, 2008
Nash Finch Company
Native American Public
Telecommunications, Inc.
North Dakota Council on the Arts
North Dakota Farmers Union
North Dakota Humanities Council
North Dakota State University
North Dakota State University Libraries
Germans From Russia Collection

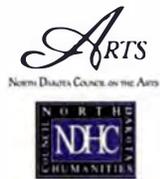
Otto Bremer Foundation of
St. Paul, Minnesota
PCOR Partnership
Public Broadcasting Service
Dr. Donald C. Schenk
State Bank and Trust
State of Minnesota
State of North Dakota
United Sugars Corporation
U.S. Department of Agriculture
Rural Utilities Service
U.S. Department of Commerce Public
Telecommunications Facilities Program
University of North Dakota
The Winnipeg Foundation

Matching Support

Your gift to Prairie Public helps us to qualify for matching grants from sources including the National Endowment for the Humanities. When you make a contribution to Prairie Public, it is often matched dollar-for-dollar by these grants. If you do not wish your contribution to be matched by eligible grant funds, please contact us at 800-359-6900 or at info@prairiepublic.org.

In addition, many businesses match contributions made to Prairie Public. We salute the companies listed below that matched contributions made by their employees.

Abbott Fund Matching Gift Plan
Archer Daniels Midland Company
Burlington Northern Santa Fe Foundation
Gate City Bank
IBM Corporation
Microsoft Matching Gifts Program
Thrivent Financial for Lutherans
U.S. Bancorp
Qualcomm Matching Gift Program



Many Prairie Public local television productions are funded in part by the following:

Minnesota Arts & Cultural Heritage Fund with money from the voters on November 4, 2008, North Dakota Council on the Arts, North Dakota Humanities Council, and by the members of Prairie Public. Thank you!

If we have inadvertently omitted or incorrectly acknowledged your support, please contact us at 800-359-6900, ext. 510.

Television

Bismarck	<i>KBME-DT</i>
Crookston/Grand Forks	<i>KCGE-DT</i>
Dickinson	<i>KDSE-DT</i>
Devils Lake	<i>KMDE-DT</i>
Ellendale	<i>KJRE-DT</i>
Fargo	<i>KFME-DT</i>
Grand Forks	<i>KGFE-DT</i>
Minot	<i>KSRE-DT</i>
Williston	<i>KWSE-DT</i>
Manitoba, Canada	<i>Via cable</i>

With additional digital capabilities, Prairie Public broadcasts four program streams. Viewers who use a rooftop antenna receive all four. Viewers who use cable, dish, or satellite services will receive Prairie Public's primary schedule, and one or more additional program streams.

Prairie Public Prairie Public's high-definition schedule.

World Nonfiction, science, nature, news, and public affairs programs.

The MN Channel Programs produced in and about North Dakota, Manitoba, Minnesota, and the region.

Lifelong Learning How-to, travel, cooking, and K-12 classroom programs.

Radio

Bismarck	90.5 fm
Beach	91.9 fm
Bowman	91.9 fm
Crosby	91.9 fm
Devils Lake	91.7 fm
Dickinson	89.9 fm
Fargo	91.9 fm
Grand Forks	89.3 fm
Grand Forks	90.7 fm
Hettinger	91.9 fm
Jamestown	91.5 fm
Minot	88.9 fm
Thief River Falls	88.3 fm
Tioga	91.9 fm
Williston	88.7 fm
Williston	89.5 fm
Plentywood MT	91.9 fm
Winnipeg MB	<i>Cable</i> 107.9

Listeners can choose from Prairie Public's two radio formats and can **access both** schedules with an HD radio or online at www.prairiepublic.org.

Roots, Rock, and Jazz Public radio's signature news and entertainment programs and a diverse schedule of roots, rock, and jazz music.

Classical Public radio's signature news and entertainment programs and a diverse schedule of classical and opera music.



Like us on Facebook



Find our free radio app on your mobile device



Prairie Public Broadcasting, Inc.

Television
Radio
Education Services
Enterprises

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207 North 5th Street
Fargo ND 58108-3240
701-241-6900 800-359-6900

Bismarck Office
1814 North 15th Street
Bismarck ND 58501
701-224-1700 800-359-6900

Grand Forks Studio
PO Box 8117
Grand Forks ND 58202-8117
800-359-6900

Prairie Public Television (Manitoba), Inc.
PO Box 2640
Winnipeg MB R3C 4B3
800.359-6900

www.prairiepublic.org
info@prairiepublic.org



Today's PBS

America's Largest Classroom

The Nation's Largest Stage

A Trusted Window To The World

February 2012

Every day, PBS and more than 350 member stations fulfill our essential mission to the American public, providing trusted programming that is uniquely different from commercial broadcasting, treating audiences as citizens, not simply consumers. In fact, PBS has been rated as the most trustworthy institution among nationally known organizations for nine consecutive years.

Primetime Audience Growth & Children's Content

• Over the course of a year, **91%** of all U.S. television households - and **236 million people** - watch PBS. (Nielsen NPower, 9/27/2010-9/18/2011)

• In a typical month, close to **123 million people** watch their local PBS stations. (Nielsen NPower, 10/2011)

• PBS averaged a **1.33 primetime rating** during the 2010-2011 season, an **increase of 4%** over the previous season. (Nielsen Media Research. Public television primetime AA rating and full day weekly come averages from 9/2010-9/2011)

• PBS' primetime audience is **significantly larger** than many commercial channels, including Bravo (PBS' audience is 104% larger), TLC (75%), Discovery Channel (70%), HGTV (58%), HBO (54%), A&E (36%) and History Channel (6%). In addition, PBS' primetime rating for news and public affairs programming is **60% higher** than that of CNN. (Nielsen NPower, 9/20/2010-9/18/2011)

• In a year, **79%** of all kids age two to 11, totaling **32.7 million**, watch PBS. (Nielsen NPower, 9/20/2010-9/18/2011)

• Over a **million more children** watched PBS during the '10-11 season compared to the '09-10 season. (Nielsen NPower national program rating for PBS KIDS properties, 9/21/2009-9/19/2010 and 9/20/2010-9/18/2011)

• PBS had **seven of the top 10 programs** among mothers of young children in December 2011, and the **top three programs** for kids age two to five. (Nielsen NPower, 12/2011)

• Season two of "Downton Abbey" premiered to an average audience of **6.3 million viewers** – 30% more than the first episode of season 1. This is the **highest rating** for a MASTERPIECE episode in 17 years. (Nielsen Npower, program ratings report, and NTI PBS program ratings, 1972-2012)

• Last year, PBS moved NOVA to Wednesday night, creating "the smartest night on television." This has led to a **47%** increase in our audience, meaning over **700,000 more people** are watching during an average minute of NOVA's programming. (Nielsen NPower, program ratings report, Jan.-Aug. 2010 and 2011)

• PBS and our member stations are helping to keep the arts alive today and for generations to come. All PBS arts-related programming reached **40 million people** during fall 2011 – more than one quarter of all U.S. households. (Nielsen NPower reach & frequency report, Oct.-Dec. 2011)

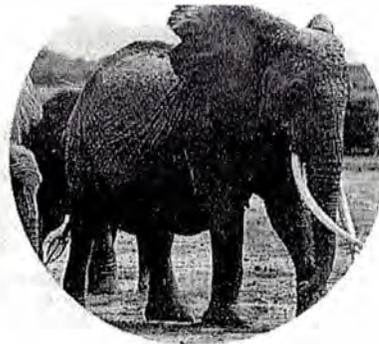
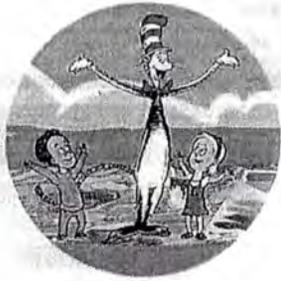
• The Fall PBS Arts festival reached close to **19 million viewers**. (Nielsen NPower reach & frequency report, Oct.-Dec. 2011)



Be more.



PBS.



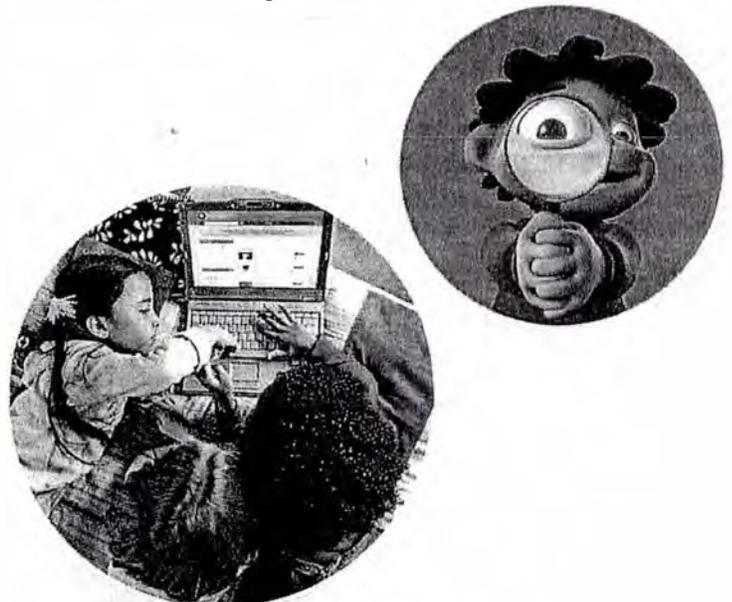
Innovation & Growth on Digital Platforms

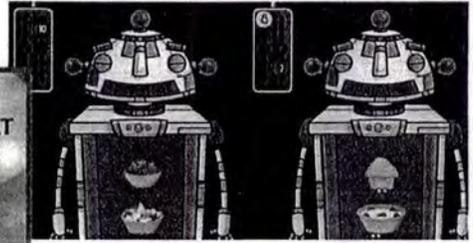
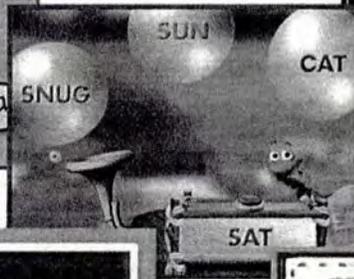
- Americans watched nearly **148 million** videos across all of PBS' web and mobile platforms in Jan. 2012. That's up from two million per month three years ago. (Google Analytics and The Platform, 1/2012)
- Combined, PBS had more than **29 million** unique visitors to its sites in Jan. 2012. (Google Analytics and The Platform, 1/2012)
- The majority of PBS.org's online viewers are between the ages of 18 to 49, who spend an average of **22 minutes** per video, far above the industry average. (comScore Video Metrix and Google Analytics, 12/2011)
- In any given month in 2011, more than **30%** of all video minutes consumed on kids' sites were on PBSKIDS.org. (comScore Video Metrix, 2011)
- In total, PBS' general audience and kids apps for iPad and iPhone have been downloaded more than **2.3 million** times. (iTunes)
- More than **58 million** videos were streamed on the PBS KIDS Video for iPhone/iPad apps in Jan. 2012. (Google Analytics, 1/2012)

Helping to Close the Achievement Gap

- According to a recent national survey commissioned by PBS and conducted by VeraQuest Research, **91%** of teachers have access to computers in their classrooms, but only **one-in-five** have the right level of technology. Cost (**63%**) is the single biggest barrier toward using technology in the classroom.
- That's why PBS, together with WGBH and local member stations, recently launched **PBS LearningMedia**, which features a robust library with **tens of thousands of digital assets**, including lesson plans and discussion questions for educators that align with Common Core State Standards. This **free media-on-demand service** features content from NASA, National Archives and PBS programs all in one place.
- To date, PBS LearningMedia has more than **39,000 registered users**. The site has been **localized by 101 PBS members**, representing 238 stations in 39 states, the District of Columbia and the U.S. Virgin Islands.

Front: The PBS logo is a registered mark of PBS and is used with permission. (top): "Downton Abbey Season 2," photo courtesy of Masterpiece Classic; SUPER WHY!, courtesy of Out of the Blue Enterprises LLC. All Rights Reserved. (bottom): NOVA "Japan's Killer Quake," Callum Macrae in Ofunato, photo courtesy of Callum Macrae; PBS Arts from Chicago: AMERICAN MASTERS "Bill T. Jones: A Good Man," Fondly Do We Hope...Fervently Do We Pray, photo courtesy of Russell Jenkins/Ravinia Festival; PBS Arts from Cleveland: WOMEN WHO ROCK, photo courtesy of Women Who Rock exhibit opening and benefit photos courtesy of the Rock and Roll Hall of Fame and Museum, Cleveland, OH. Back (top): THE CAT IN THE HAT KNOWS A LOT ABOUT THAT "Chasing Rainbows/Follow the Prints," courtesy of Series copyright 2010, CITH Productions, Inc. and Red Hat Animation, Limited. Underlying characters copyright 1957, 1985 Dr. Seuss Enterprises, L.P.; David Pogue in NOVA "Hunting the Elements," photo courtesy of Powderhouse Productions; Nature "Echo: An Elephant to Remember," photo courtesy of Mike Birkhead Associates; Ray Suarez and Gwen Ifill of PBS NewsHour, photos courtesy of Robert Severi. (bottom): Children using computer: photo courtesy of Peter Krogh; SID THE SCIENCE KID, courtesy of TM and The Jim Henson Company. All Rights Reserved.





Did you know...?

You can find a large number of educational games and interactive activities for all ages from PBS and other producers.



Take It Further Write aloud a sentence from the column of the **Word Play** and generate similarities a

You will need

- cutout stars
- basket filled with

Rhymes with Star

Have children sit in a circle and give each child a cutout star.

The Cat in the Hat Knows a Lot About That!

ACTIVITY

FEEDING AND OBSERVING BIRDS

WordWorld

Activity Ideas

Fish-SH-SH-ing

In "Sh-Sh-Shark," the WordFriends learn many new words with the "sh" sound. Discover "sh" words with your child with this fun "fishing" game.

Curious George

Let's Build!

Can YOU build a bridge like George?

Did you know...?

You can find direct links to lessons, guides, and extension activities for the classroom from our website.

Did you know...?



The **Daily Almanac**

- An episode a day!
- 6 segments!
- Fascinating facts!

The smart way to start each day.

Education Services purchases yearly rights to many online programs and services for your use. Some of our online titles are password protected. **PASSWORD = media4u**

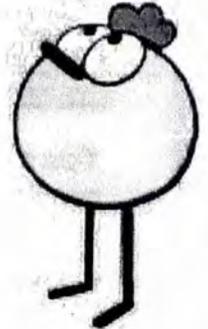




Since 2006, all programs affiliated with PBS have had accompanying educational materials tied to those programs.

Over the past few years, those resources have grown from a handful of articles, worksheets, and coloring pages into a vast collection of searchable online educational games, interactive activities, podcasts, and media-rich lesson plans.

Online Media & Teacher Resources from Prairie Public and PBS



Online Media

The range of media resources available to schools has grown in size and sophistication. Although educators may still record programs off their Prairie Public channel or borrow DVD/VHS series from our lending library, more schools and teachers are turning to online media that can be streamed directly into the classroom. What most teachers don't realize, however, is how much media, both full-length programs and short clips prepared specifically for classroom use, can be found on the Internet.

Find Quality Media Quickly and Easily

Education Services has spent several months identifying and organizing resources as well as expanding our website to make those resources easier to navigate. Teachers can now find lists of PreK-12 educational programs narrowed down first by grade strand and then labeled according to content areas. From that point, teachers will find links to online video repositories for each program as well as links to teacher resource materials.

Many teachers are surprised to discover that teacher resource materials are not just available for educational programs such as **Sid the Science Kid** or **DragonFly TV** but for ALL PBS programming, including **Masterpiece**, **NOVA**, and even news and current events programs like **Frontline**.

www.prairiepublic.org/education

Select **TEACHERS**

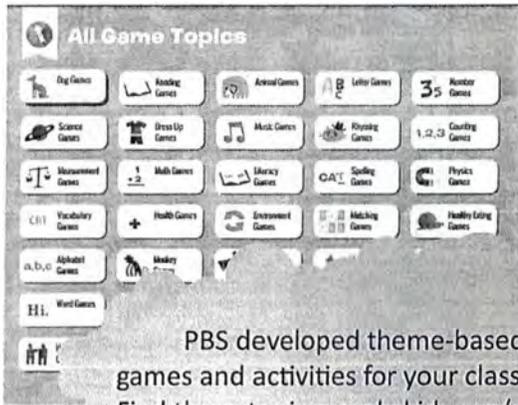
Select **MEDIA RESOURCES**

Select an **ONLINE MEDIA** link:

- North Dakota Studies
- PBS Media, Games & More
- Other Titles

**Prairie
Public**

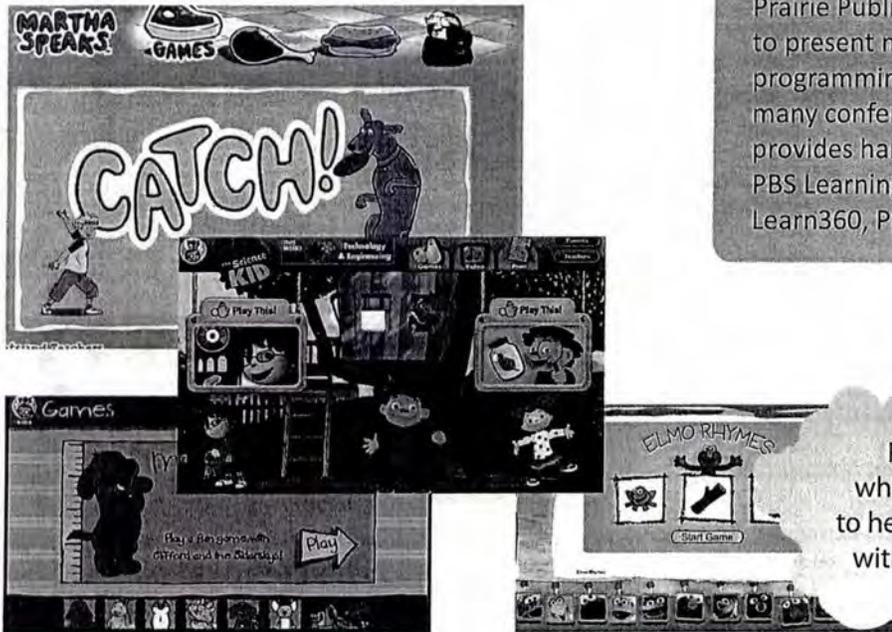
SciGirls[®]



PBS developed theme-based games and activities for your classroom? Find these topics on pbskids.org/games/

Did you know?

Case Studies show that research-based, digital games help children learn healthy behaviors, traditional skills such as reading and math, and 21st-century skills such as critical thinking, global learning, and programming design.



Prairie Public travels across the Prairie Region to present media-on-demand and programming resources. Staff appears at many conferences throughout the year and provides hands-on, in-school workshops on PBS LearningMedia, NDStudies.org, Learn360, PBS Teachers, and more.

PBS offers many interactive whiteboard games for educators to help engage students in learning with their favorites PBS character.



Featured Classroom Resources



Thousands of lesson plans in all curricular areas for all grade levels are easily accessible on PBS Teachers.

To learn more about the available lesson plans, go to pbs.org/teachers!

Did you know?

Prairie Public has tons of resources for kids to get Ready To Learn?

Martha Speaks Reading Buddies

Fourth grade students buddy-up with kindergarten students to teach and learn with one another. This program helps students build literacy skills and self-esteem. The entire program is free to download on the **Martha Speaks** website.



Contact us for more information.

Raising Readers Library Corner

Library Corners are free for public health centers and libraries in the Prairie Region. The corners are enriched with books, print activities, online games, and video clips to help young children build literacy skills.



PBS Kids Mobile Applications

PBS presents multiple new mobile apps that inspire learning. Try **FETCH!** Lunch Rush to increase your students' math skills or **Sid's Science Fair**, where they can sort and classify collections.



Healthy Kid. Healthy Future.

Prairie Public provides resources for educators and caregivers that inspire children to live healthy. These online resources encourage ways to eat, play, and smile healthy.



Ready to Learn Workshops

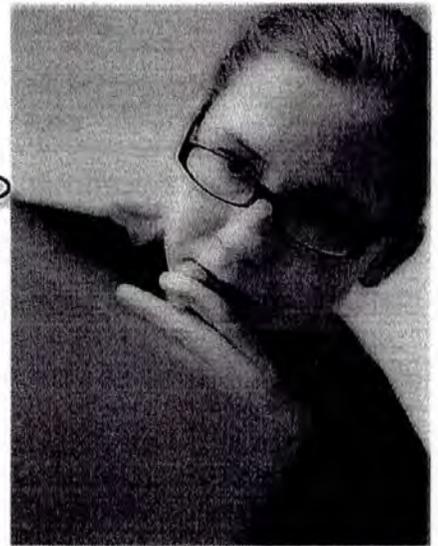
- Raising Readers
- Healthy Kid. Healthy Future.
- Martha Speaks Reading Buddies



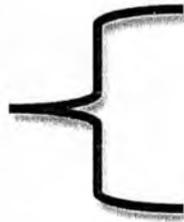
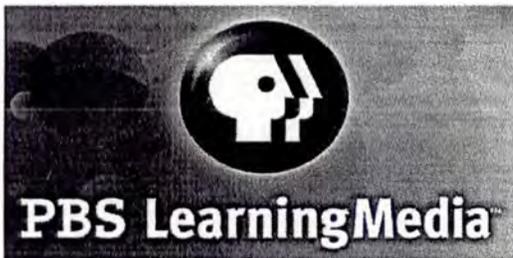
(701) 239-7574

education@prairiepublic.org
prairiepublic.org/education

Where can I find quality, digital teaching resources that I can trust?



Online Media & Teacher Resources from Prairie Public and PBS



- No cost, digital-media-on-demand brought to you from Prairie Public and PBS
- Nearly 20,000 resources collected from respected educational leaders
- Resources to organize and share with colleagues and students

- Thousands of full-length programs, video clips, newsreels, sound effects, and other digital resources ready to stream or download
- Resources aligned to ND State and Common Core Standards
- Media-on-demand services offered at a deeply discounted rate through Prairie Public



LEARN360
ENGAGE ENRICH EXCEL

NDStudies.org
REGIONAL WEBSITE



- Segmented Prairie Public productions aligned to standards for easy classroom use
- High quality digital resources available to download or stream
- Lesson plans, video clips, and audio resources all centered on our prairie region



Prairie Public Education Services

701-239-7574

education@prairiepublic.org

www.prairiepublic.org/education

Prairie Public Education Services

Start at our website, prairiepublic.org/education and link to games, interactives, streaming video, and much, much more including:

- broadcast schedules
- in-school workshops and trainings
- professional development opportunities
- STEM Resources



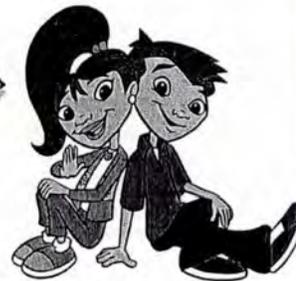
PBS KIDS Lab

Build on the knowledge that every new technology is an opportunity for learning with new, hot games from PBS KIDS Lab. Researchers and advisors work to build curriculum frameworks and align new resources to standards while creating engaging games for students.
pbskids.org/lab



Mobile Apps

Continue learning on-the-go with PBS mobile apps! A list can be found at pbskids.org/mobile, where you can sort by age, device, or program.

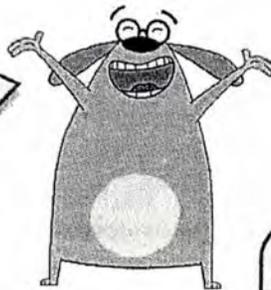


PBS.org

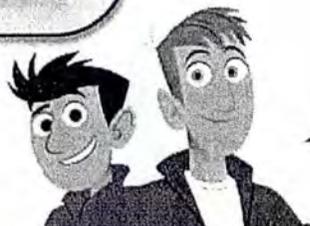
Find educational resources for *all* PBS programs, not just children's programming at pbs.org. **NOVA**, **Masterpiece**, **Frontline**, **Nature**, and others have curricular resources aligned to their programming and to state standards.

Whiteboard Activities

Engage your students with fun, collaborative games from trusted PBS programs such as **Curious George**, **Super Why**, and **Arthur**.
pbskids.org/whiteboard/



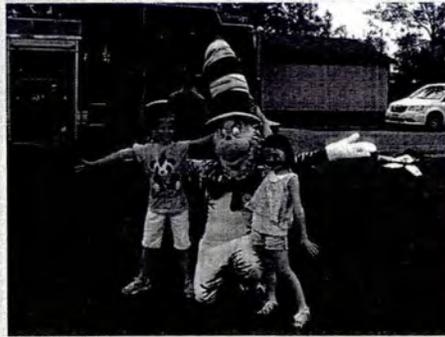
Discover why PBS and its member stations are America's largest classroom, opening up the world to 98% of America's children in age-appropriate ways. Research confirms that PBS content helps young children develop critical academic skills and that children from economically disadvantaged families benefit most of all.



Literacy Grant

Prairie Public offers literacy grants for preK-3 grade schools to host Share a Story Family Literacy Events.

- \$500 cash stipend
- Free books for each child who attends
- PBS costumed character meet and greet
- Prairie Public on-air and printed promotional resources
- Much, much more



Broadcast

Lending Library

Spark lively discussions by using a video from Prairie Public's Lending Library in your lesson planning. Email education@prairiepublic or order online.

Schedules

Find the Lifelong Learning Channel and the Early Morning Block Feed schedules in the monthly e-newsletter or on the education website. Also, check out Prairie Public's latest digital channel, **World**, public television's best documentary, nonfiction and news programming.

Literacy Rich Programs

Watch for **Between the Lions**, **Martha Speaks**, **Super Why!**, **Sesame Street**, **Electric Company**, and **WordWorld** to help develop literacy skills.



EDUCATION SERVICES

Enrich. Engage. Empower.
Inspire. Excel.



Online Resources

Professional Development

Prairie Region Teacher Training Institutes

Workshops & Conferences

Literacy Grant

Prairie Public Education Services provides multimedia resources and professional development trainings for preK-12 educators and the families they serve.

(701) 239-7574

education@prairiepublic.org

www.prairiepublic.org/education/teachers

The Prairie Public website is your destination for easy, instant access to thousands of preK-12 classroom-ready, digital resources including videos, interactives, hands-on activities, articles, and even lesson plans.

PBS LearningMedia

- Free
- Dynamic and next-generation platform
- 14,000+ resources from many PBS stations
- Video and other resources to save and share

- Extensive audio and video libraries
- Lesson plans, videos, articles, images, and interactives
- Comprehensive and easy search options
- 24/7 media on demand
- High quality
- Common Core, state, and/or national standards

NDStudies Regional Website

- Free
- Downloadable video clips from Prairie Public local productions
- Primary sources
- Constantly new content

PBS Teachers

- Activity packs
- Discussion groups and blogs
- Webinars
- Streaming video and teacher resources for all PBS programs
- Interactives perfect for whiteboards

Learn360

- 73,000+ media resources
- Trusted educational contributors
- Webinars and training manuals
- Content sharing
- Cost effective

Teacher Training Institutes

Prairie Region Teacher Training institutes integrate regional history, culture, the arts, and/or science into cross-curricular lessons using video and web-based technologies.

- Model lessons demonstrate strategies.
- Reflective discussions reinforce learning.
- Hands-on learning strengthens understanding.
- Continuing education and/or credit add value.

PBS TeacherLine Online Courses

- Affordable
- Collaborative
- Customizable
- Convenient—everything is on-line. No textbooks!

Workshops & Conferences

Education Services provides free workshops and trainings on-site or at professional development conferences. Choose from a variety of workshops or customize a training to fit your school's needs.

Accessing and Integrating Online Media Resources
Prairie Public and PBS Services and Resources Overview
Sensational Science
Healthy Kids, Active Viewers
Raising Readers

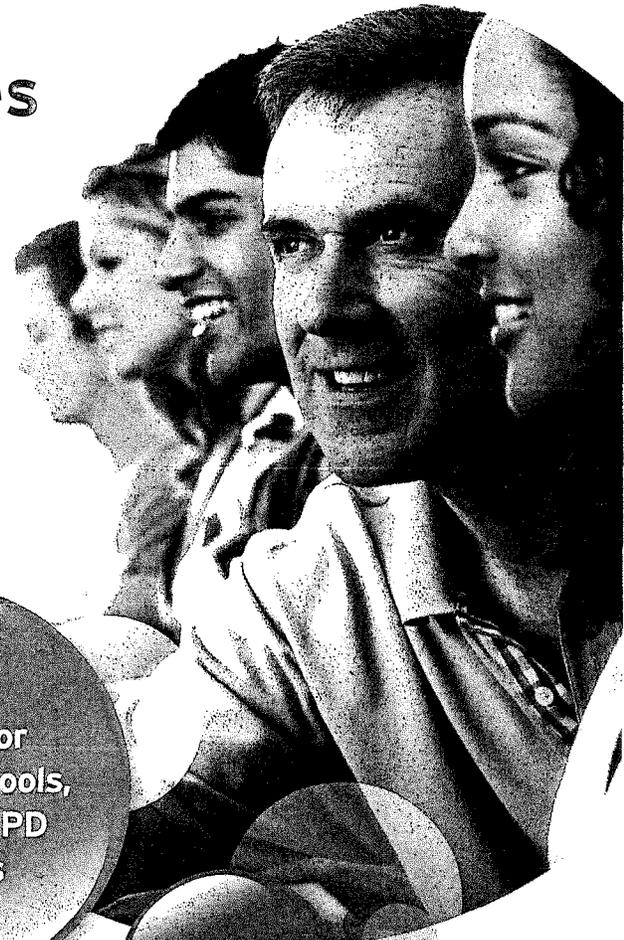




PBS TeacherLine®

PBS TeacherLine® Redefines Professional Development.

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**Solutions for
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Technology**

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PDPs**

PreK-12

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When Teachers Are More Effective... Students Achieve More

PBS TeacherLine has long been recognized as a leading provider of innovative, online solutions for quality PreK-12 professional development. Since the program began in 2000, we've redefined and re-imagined how educators can engage in professional learning to make it work better for them and their students.

Today, PBS TeacherLine offers a spectrum of options. We invite you to tap into the remarkable richness of PBS, America's largest classroom, with our expanding portfolio of PD opportunities.

80+ Facilitated Courses for PreK-12 Educators

With course start dates throughout the year, PBS TeacherLine professional learning opportunities span the curriculum. Courses offer specific teaching strategies that support continually improving teacher effectiveness and student achievement. *Course prices range from \$145 to \$525.*



46,000+ Teachers Are PBS TeacherLine Alumni!

Some of our most popular courses are:

- *Teaching Phonemic Awareness and Phonics*
- *Children's Authors on the Web*
- *An Introduction to Underlying Principles and Research for Effective Literacy Instruction*
- *Teaching with Primary Sources from the Library of Congress*
- *Understanding Numbers and Operations: Addition and Subtraction*
- *Seeing Math™: Linear Functions*
- *Graphic Organizers for 21st Century Learning*
- *The Computer for Personal Productivity*

Special Discounts for Schools, Districts, and Larger Volume Programs

For schools and districts interested in extending their PD programs with PBS TeacherLine, we offer volume and section discounts. With the purchase of 50+ seats, you have a choice of courses over a full year time frame. We also offer a unique "Section Discount" so you can train a cadre of teachers on a single topic. Our discounts range from 10-25% depending on the number of educators you want to engage in the program. For detailed information, contact us at 800-572-6386. You'll find additional details online at pbsteacherline.org/for-districts.

12+ U.S. Colleges

...and universities offer the opportunity to earn CEUs, Professional Development Points (PDPs), and, in most cases, graduate credit through our facilitated courses.



**3-5 Hours per Week x 6 Weeks =
A Productive & Enjoyable
Online Learning Experience**

PBS TeacherLine's courses feature media-rich resources, including videos demonstrating best practices, expert articles, interactive lessons, and online facilitated discussions with peers to help you put what you're learning into practice.

Our expert facilitators are teachers who have earned master's degrees and have received special training in online course delivery and community building.

COOL

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edtech
digest
COOL TOOL AWARDS

**NEW! Self-Paced Courses.
Fast. Flexible. Focused.**

It's what you've been waiting for: bite-sized 3 and 5 hour professional learning opportunities created expressly to spark new ideas, expand your skills set, and energize your classroom. This new collection from PBS TeacherLine and contributors like Annenberg Learner includes courses in history and science, with intriguing titles such as "Using Primary Sources in World History" and "Demographic Dynamics."

pbsteacherline.org/selfpacedcourses

3 Hour Courses for \$19
5 Hour Courses with
Completion Certificate \$59

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with TECH570!**

Develop the skills, insights, and techniques needed to become an effective online teacher in one of our newest and most popular courses.

**1 YOU + 100's
of Standards**

Let us help you in the transition to Common Core State Standards! Check the online catalog to see PBS TeacherLine courses that are aligned in Mathematics and English Language Arts.

PBS Member Stations

...provide educators and administrators with resources and opportunities at the district level and state level.

Visit pbsteacherline.org/local-providers





PBS TeacherLine®

“
The instructor consistently provided specific feedback. I felt that although the interaction was online, he made it more personal through his communication.”
”

Rebecca Bieniek
7th Grade English Teacher

“
... PBS TeacherLine is extremely beneficial to teachers because it provides Professional Development that is tailored so that the teachers can instantaneously implement the learned content into their classrooms.”
”

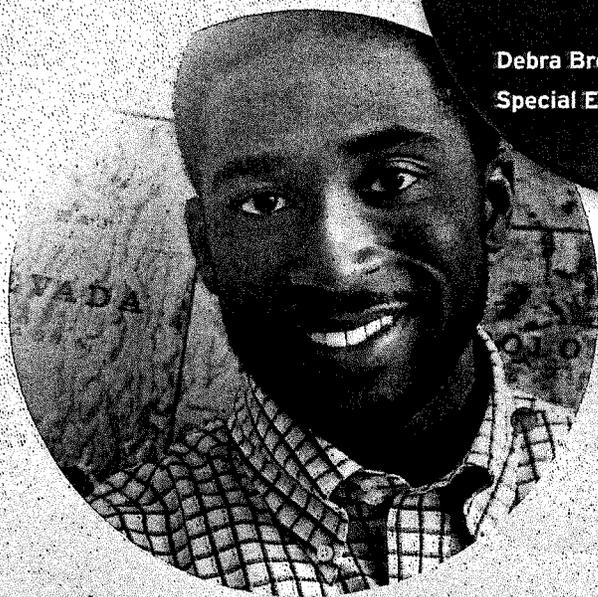
Andrea Kotowski
Elementary Math Resource Teacher

“
This was my first online course, and I really enjoyed the flexibility to work whenever it was convenient for me – and to be able to work from home.”
”

Debra Browning
Special Education Teacher

“
I have never doubted the technical side of the teaching, but now I feel like I have a better understanding of the philosophy behind it.”
”

Tony Victory
Educational Technology Coordinator



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March 13, 2013

11

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1015

Page 1, line 2, after "budget" insert "; to provide an appropriation to the office of management and budget for the construction of a new governor's residence"

Page 2, after line 25, insert:

"SECTION 3. APPROPRIATION - CAPITOL BUILDING FUND - OTHER INCOME - NEW GOVERNOR'S RESIDENCE - CONSTRUCTION AUTHORIZATION.

There is appropriated out of any moneys in the capitol building fund in the state treasury, not otherwise appropriated, the sum of \$1,500,000, or so much of the sum as may be necessary, and from special funds derived from other income, any amounts received under this section, to the office of management and budget for the purpose of constructing a new governor's residence as provided in this section, for the biennium beginning July 1, 2013, and ending June 30, 2015.

1. The capitol grounds planning commission shall administer the planning and construction of a new governor's residence on the capitol grounds. The capitol grounds planning commission shall review and select a design for a new governor's residence and shall determine the total estimated planning and construction costs of the selected design. Of the total costs for the planning and construction of the new governor's residence, \$1,500,000 may be paid from the capitol building fund as appropriated under this section and the remaining costs of the project must be paid from special funds derived from private donations and other income generated by a private fundraising group.
2. Construction of the new governor's residence may not begin until a private fundraising group transfers to the office of management and budget funds in an amount equal to the estimated special funds required for completion of the project as determined by the capitol grounds planning commission. The office of management and budget shall pay all expenses authorized under this section for the construction of a new governor's residence upon the request of the capitol grounds planning commission. The office of management and budget may not expend funds appropriated from the capitol building fund until all special funds received under this section have been expended or obligated."

Page 3, line 18, replace "8" with "9"

Page 7, line 20, replace "11" with "12"

Renumber accordingly

12

NORTH DAKOTA GOVERNOR'S RESIDENCE MASTERPLAN



CAPITOL GROUNDS PLANNING COMMISSION

Drew Wrigley, Lt. Governor and Chair
Lonnie Laffen, Senator
Richard Marcellais, Senator
Matt Klein, Representative
Robert Kilichowski, Representative
Merl Paaverud
Doug Prchal
Lisa Carlson
Michael Burns

FACILITIES MANAGEMENT

John Boyle, Director
Steve Sharkey, Governor's Residence Manager

Report Prepared By:
MICHAEL J. BURNS ARCHITECTS, LTD.
Fargo, North Dakota

May 2, 2012

In April 2011 Michael J. Burns Architects, Ltd. was hired by the ND Capitol Grounds Planning Commission to assess, provide options and a corresponding cost estimate to determine the realistic value of the current Governor's Residence which was completed in early 1960. The current size is just over 10,000 square feet on both upper and lower levels, excluding the exterior balcony, patio, garage walkway and garage.

Presentations were made to the Commission in September 2011 and January 2012 to review the preliminary findings, updated information and estimated costs.

PLANNING PRIORITIES

- To assess the current condition of the residence
- To examine its potential for renovation and expansion to meet current building and accessibility codes and the adaptability to meet the growing needs of the state's executive branch to socially interact with legislators, private company executives and various state agencies flourishing in economic growth
- To compare those modifications to a new residence

HISTORY

The construction of the home is a blend of light commercial and residential construction. The basement floor is concrete slab-on-grade; the first floor is a concrete floor on steel decking that rests on steel joists. A concrete bearing wall occurs between the public formal dining room and living rooms on both the basement and first floors. The roof is made of "stick-built" wood trusses. All interior walls are finished plaster with stained wood trim.

The residence was completed in March 1960 and Governor John Davis and his family moved into the three-bedroom home. The lower level/basement was not finished at this time due to an exhausted budget. In December 1960 Governor-elect William Guy and his family moved into the residence. The Guys had three children so in 1961 the two bedrooms and bath, which remain, were finished in the basement. Numerous other changes have occurred in the 52-year history and are briefly described below:

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1971/72 Basement: Dakota Room, kitchenette, public toilets, north stairwell were finished

1989 Family: Living room, dining room, new rubber membrane roof and can lighting were upgraded and added
 Master Suite: sitting room created from bedroom renovation
 Reconfigure office areas

Public: Dakota Room was renovated with new wallcovering, carpet, blinds and audio visual equipment
 Balcony reinforced and added steps and railing

1992 Kitchen: Kitchen was completely remodeled

1993 Family: Master Suite: renovation of sitting area (by Foundation funds)

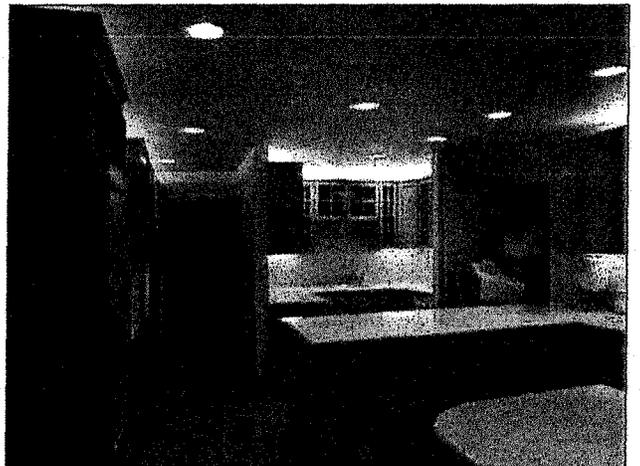
1999 Public: State Living Room, toilets and foyer renovated; all windows replaced and asbestos removed from the ceiling plaster finish
 State bedroom and bath added (first Foundation project)
 Accessible walks added

2002 Family: All windows replaced on the upper level (Marvin Windows)

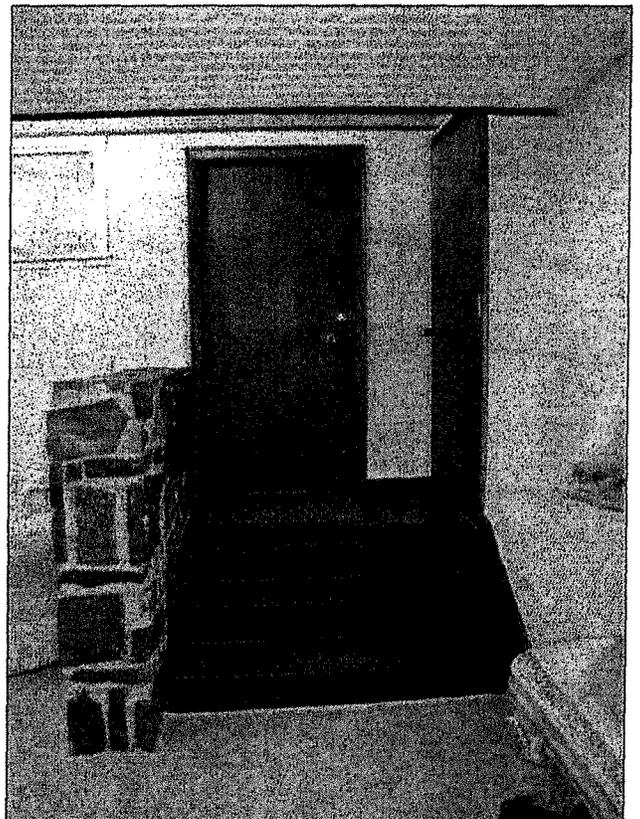
2004 Family: Added fire door separating the basement sleeping area from the public



Remodeled Master Suite Sitting Area (1989 & 1993)

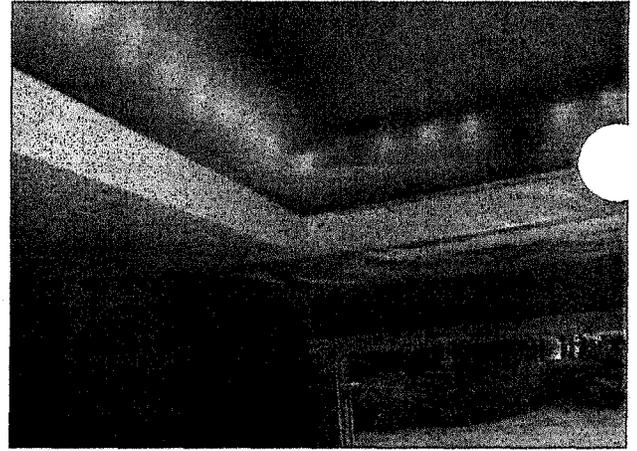


Remodeled Kitchen (1989)



New fire egress door (2004)

Public: corridor areas
 Added a new fire egress door from the Dakota Room and connected with the bedroom as an exit way



Damaged Dining Room ceiling (2010)

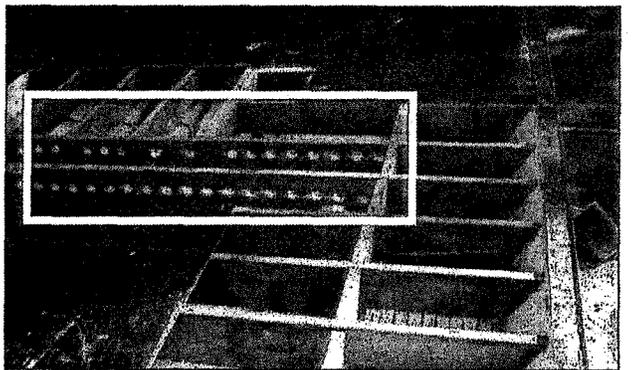
2011 Public: The shingle roof was replaced after new ventilation holes were cut into the wood joists to prevent condensation from accumulating which had damaged the soffit and ceiling in the formal dining room



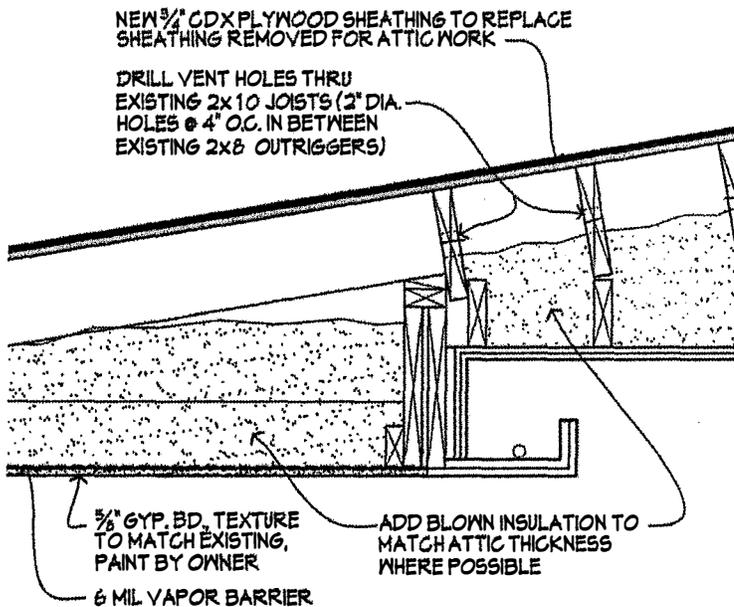
Dining Room roof repair (2011)

Family: Basement bath was remodeled

2012 Family: Enclose covered walkway between house and garage with glass walls (tentative)



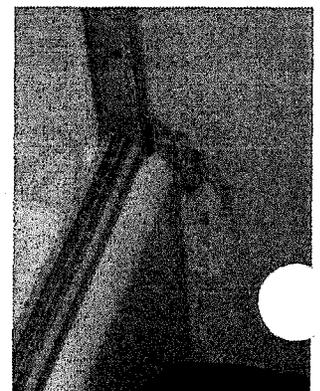
Dining Room roof repair-new ventilation holes (2011)



Original soffit detail in dining room



Basement Bath (2010/2011)



RECOMMENDATIONS FOR THE EXISTING RESIDENCE

Areas examined include the following:

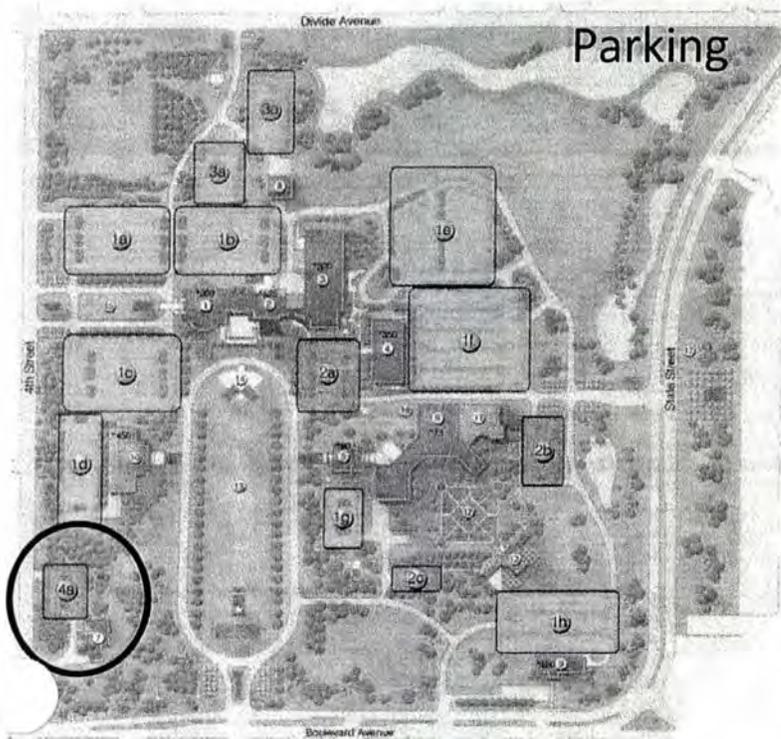
Exterior

- Additional parking for larger group gatherings
- Site and building accessibility
- Improve roof drainage system
- Patio expansion
- Additional natural light in the basement
- Enclose walkway between house and garage
- Enlarge garage or add 2 more stalls

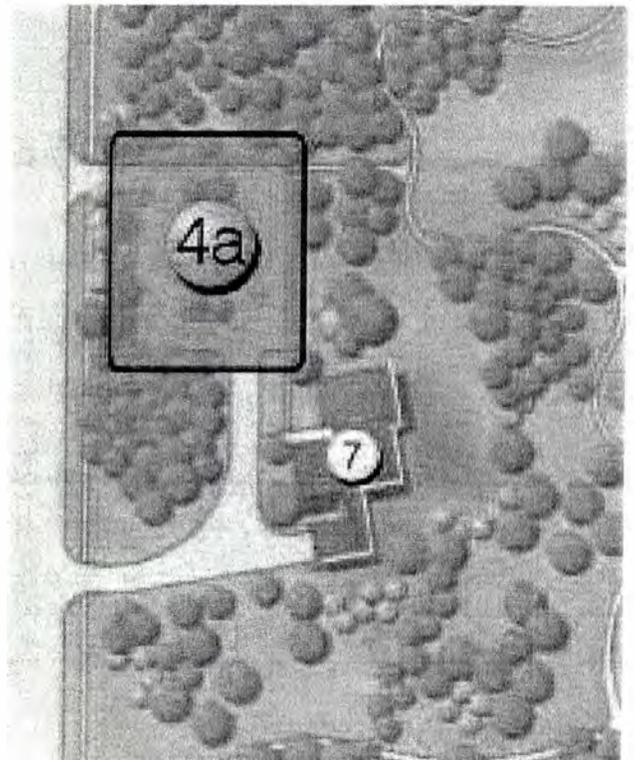
Interior

- Accessibility
- Basement kitchen upgrades
- Sauna/exercise room
- Large windows at the Dakota room
- Egress windows at bedrooms
- Upgrade interior finishes
- Hazardous materials removal

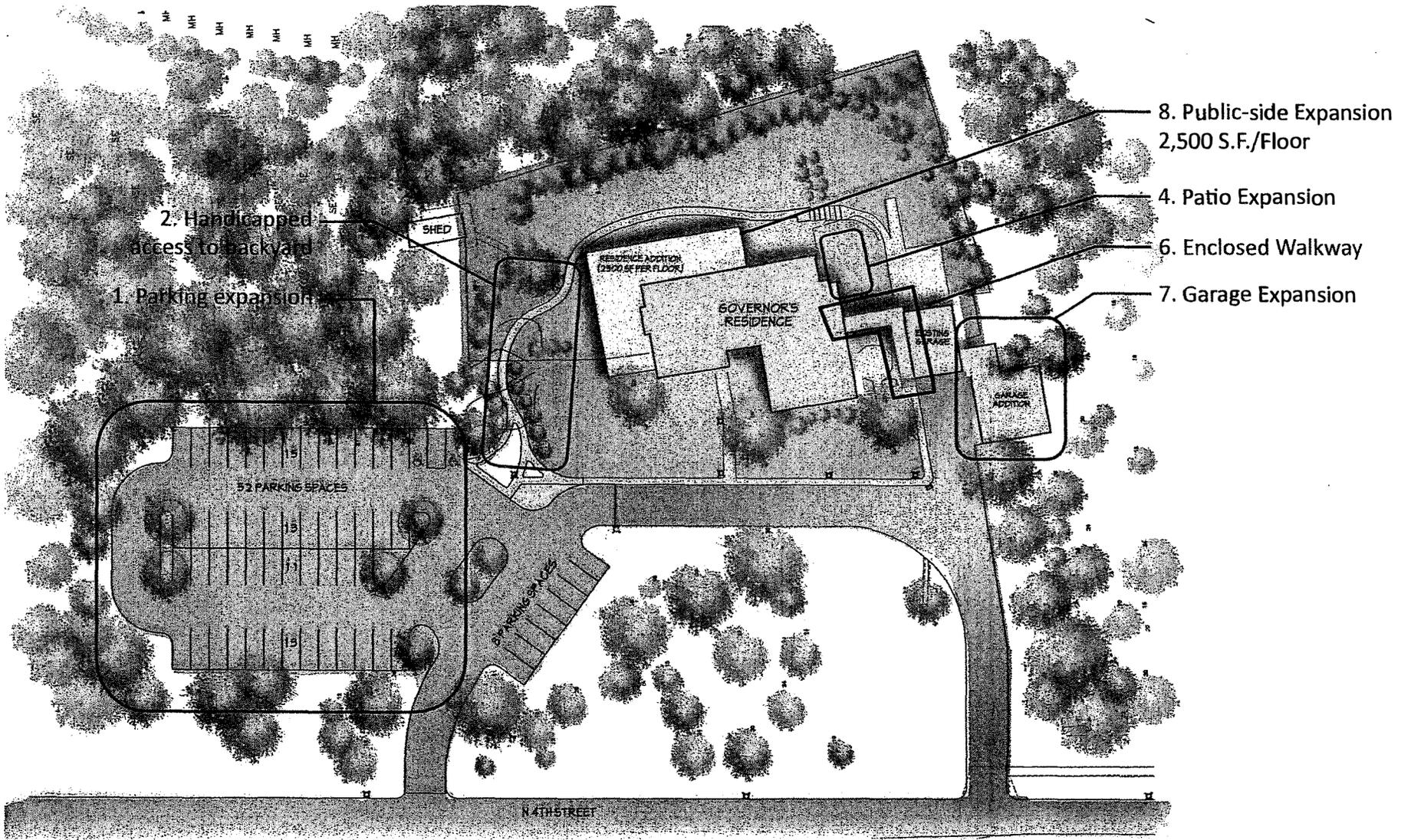
****NOTE:** Numbers preceding image descriptions refer to corresponding "Specific Recommendations".



Capitol Grounds Masterplan



1. Governor's Residence



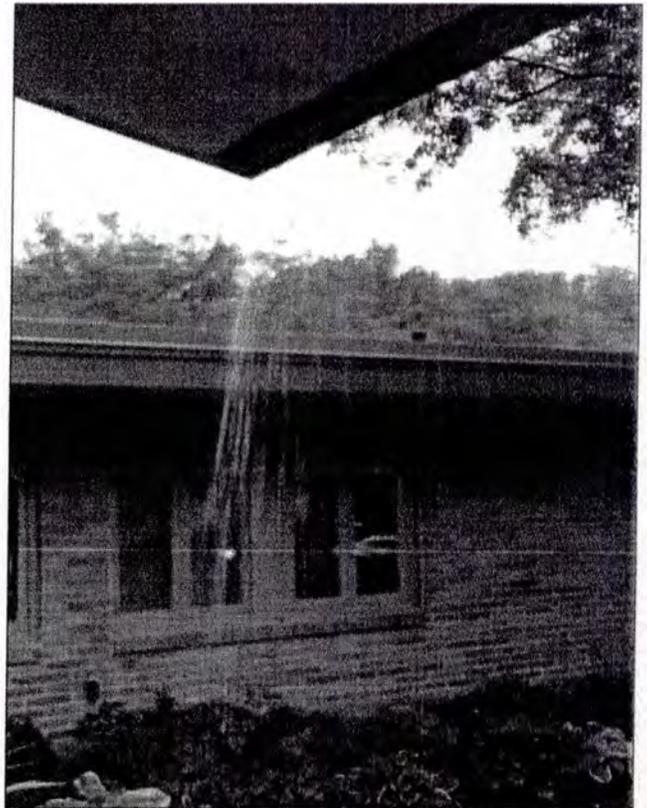
- 2. Handicapped access to backyard
- 1. Parking expansion

- 8. Public-side Expansion 2,500 S.F./Floor
- 4. Patio Expansion
- 6. Enclosed Walkway
- 7. Garage Expansion

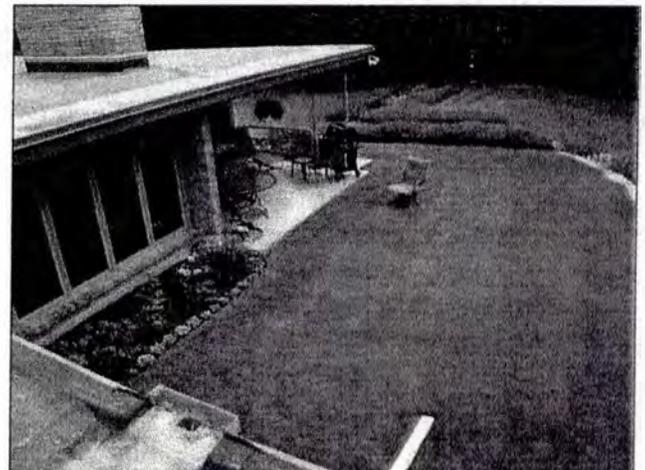
SPECIFIC RECOMMENDATIONS

Exterior Improvements:

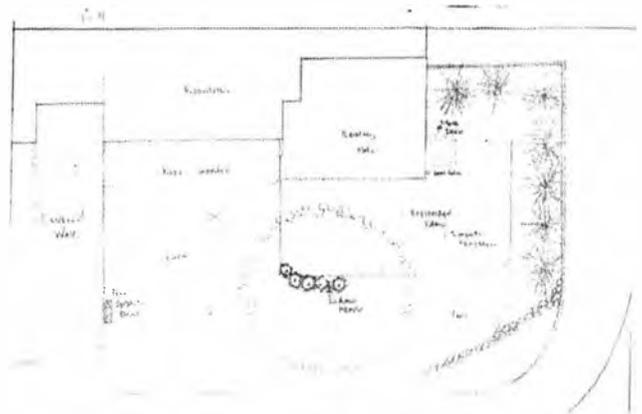
1. Parking—Provide more off-street spaces
 - a. The 2000 Capitol Grounds Masterplan recommends the location for parking lot, which is adjacent and to the north of the existing parking area and is set back from 4th Street and can be partially concealed by a grove of existing large trees
 - b. Various sources have expressed the need for more parking for the social events that are often held at the residence as the existing lot holds about 18 cars and any excess are required to park on 4th Street.
 - c. Recommended capacity is approximately 50-55 cars
2. Accessibility
 - a. Separate public parking access from the private access
 - b. Create a ramped walking surface from the parking area to both the residence's front door and into the backyard. (e.g., Grassy-Crete for backyard)
 - c. Add a fence for limiting backyard access
3. Improve roof drainage system
 - a. Shallow gutters with open outlets rather than downspouts
 - b. Due to large overhang of the public side of the roof, adding downspouts will alter the appearance of the home and will possibly interfere with regular yard maintenance
4. Private patio expansion
 - a. Existing patio is too small for any seating greater than 5 people
 - b. Provide landscaping at south edge for shading and the creation of an outdoor space
5. Natural light/egress windows in basement
 - a. Remove lower level windows in the Dakota Room and drop exterior grade to provide deeper windows for more light
 - b. Remove bedroom windows and enlarge them to meet building code egress
6. Garage/House Walkway enclosure
 - a. Provide temperature controlled enclosure
 - b. Within the existing structure, provide all glass doors, both fixed and operating patio doors for access to/from backyard and landscaped garden



3. Roof Drainage

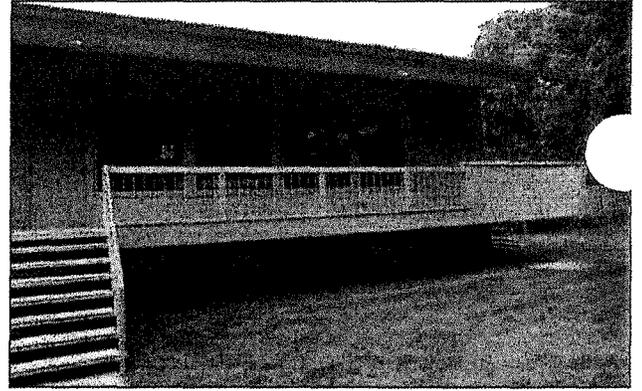


4. Patio expansion needs

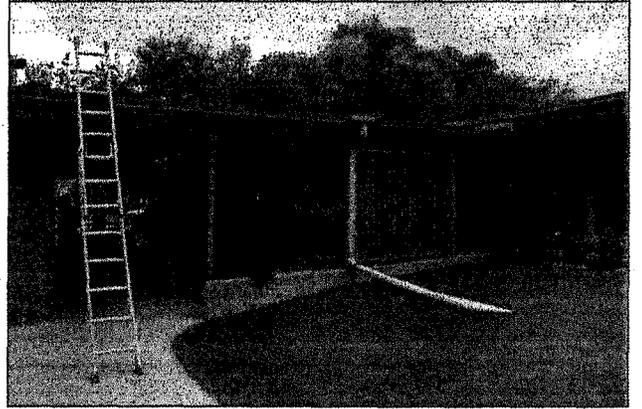


4. Proposed Patio expansion

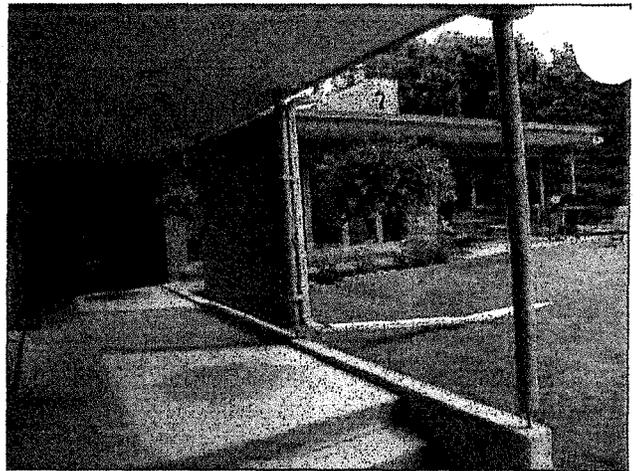
- 7. Enlarge existing garage
 - a. Connect the existing garage via a new link to a new two-stall garage to the south and west of the current garage
 - b. Modify driveway slab as required
 - c. Provide secure access to and from garbage containers
- 8. Expand public space in residence to current entertaining needs and to provide sound and secure separation between the public and private sides of the residence
 - a. Add another 5,000 sf (2,500/floor) to accommodate the public and private needs



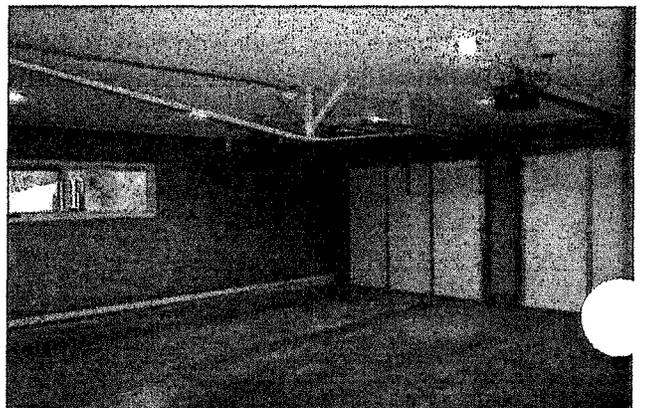
5. Exterior windows & rail



6. Garage link & rerouted downspout



6. Walkway



7. Existing Garage-2 stalls

Interior Improvements

A. Accessibility

1. Provide a 2-person, Limited Use, Limited Access (LULA) elevator to provide access to all levels of the residence. The formal dining room must be accessed via the kitchen.
2. Modify the public restrooms to accommodate handicapped requirements.

B. Basement kitchen upgrades

1. Kitchen is used for large events that use both levels of the residence
2. Original design remains and is very small allowing limited use and is no accessibility
3. Limited space for storage and preparing food
4. No dumbwaiter exists-food must be hand-carried from the main floor kitchen for events
5. Enlarge kitchen into the existing laundry room which provides either same-level access to the elevator or use of existing steps to the Dakota Room

C. Sauna/exercise room

1. No designated private space exists
2. First family must either use off-site facilities or the Dakota Room
3. Sauna can be created renovating the existing cedar-lined and dry-goods pantry into a small bath and sauna; the exercise room can be located in the original garage by using the existing NE room and expanding it providing windows overlooking the backyard to the east

D. Interior design finishes upgrades

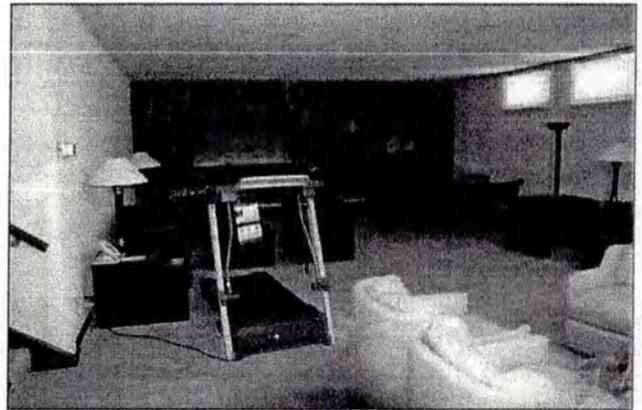
1. Dakota Room
2. Recreation Room which is separated by a partial wood screen from the Dakota Room
3. When replacing finishes it is recommended to use a classic color scheme, which won't go in and out of style and remains flexible for updating accessories as needed.

E. Hazardous materials removal

1. This is an unconfirmed issue that must be addressed prior to any major renovation work



A. Dakota Room access



C./D. Dakota Room

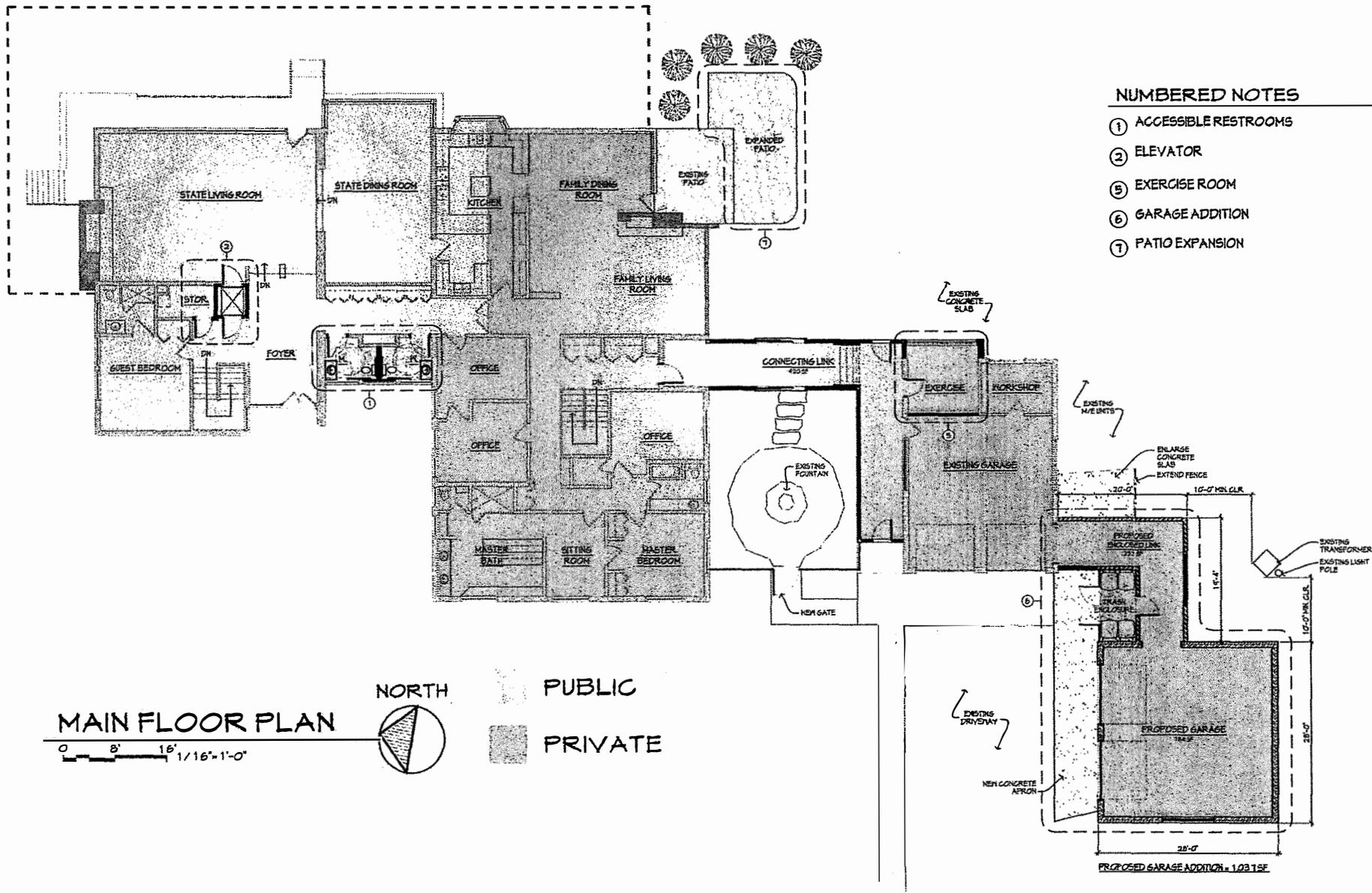


D. Dakota Room



D. Dakota Room

2,500 S.F. EXPANSION



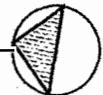
NUMBERED NOTES

- ① ACCESSIBLE RESTROOMS
- ② ELEVATOR
- ③ EXERCISE ROOM
- ④ GARAGE ADDITION
- ⑤ PATIO EXPANSION

MAIN FLOOR PLAN

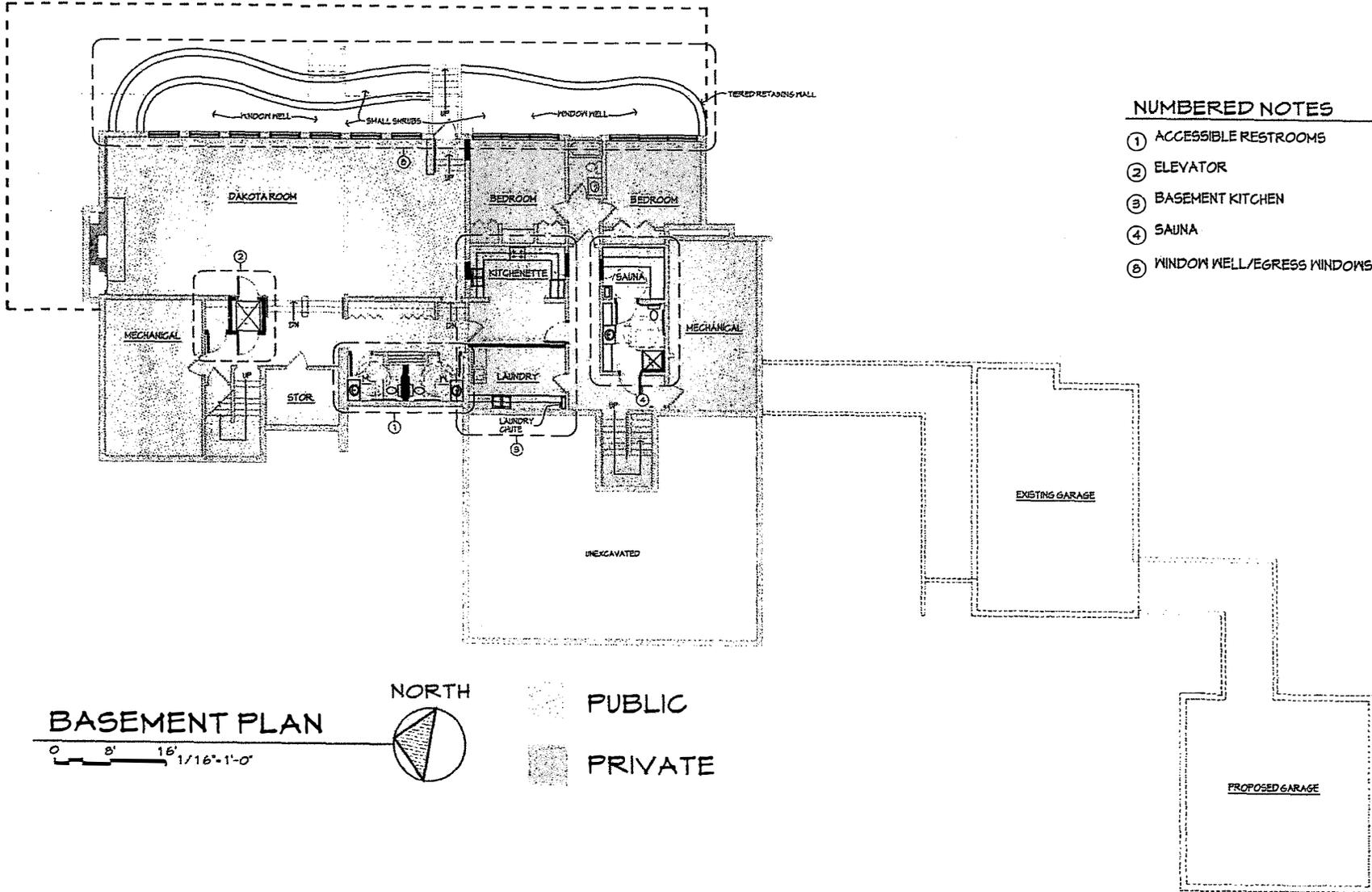
0 8' 16' 1/16" = 1'-0"

NORTH



PUBLIC
 PRIVATE

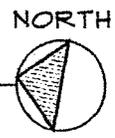
2,500 S.F. EXPANSION



NUMBERED NOTES

- ① ACCESSIBLE RESTROOMS
- ② ELEVATOR
- ③ BASEMENT KITCHEN
- ④ SAUNA
- ⑤ WINDOW WELL/EGRESS WINDOWS

BASEMENT PLAN



 PUBLIC
 PRIVATE

0 8' 16' 1/16"=1'-0"

COST ESTIMATE-RENOVATION/ADDITION

The current estimated and insured value of the residence is \$1,667,000.

Exterior

Parking/ADA walk to backyard	\$151,400	
Enlarge Dakota Rm and Bedroom windows	71,600	
Garage Link Enclosure	151,400	
New Garage/trash enclosure	124,800	
Private patio and landscaping	18,000	
Sub-total		\$512,700

Interior

Elevator	\$120,000	
Upgrade public toilet rooms	52,300	
Upgrade finishes in Dakota Rm	88,300	
Modify Basement Kitchen/Laundry	62,600	
Provide sauna/shower and toilet	25,900	
Exercise room	15,000	
Sub-total		\$364,100

New Residence Expansion - 5,000 SF @ \$300/SF \$1,500,000

TOTAL RENOVATIONS AND UPGRADES \$2,376,800

Softcosts¹ \$475,400

TOTAL ESTIMATED PROJECT COST \$2,852,200

¹Softcosts are 20% of the above estimate and include design fees, administrative management costs, testing, abatement, reports, etc.

COST ESTIMATE-NEW CONSTRUCTION 15,000 SF Residence/Public Hall**Recommended features:**

1. New residence on one floor
2. Two master suites
 - a. Governor
 - b. Guest Dignitary
3. Provide on present site
 - a. Demolish existing home
 - b. Build new home north of existing home; demolish existing when new one is complete
4. Landscaping and sitework to accommodate large gatherings
5. Complete separation between public use areas and the family residence
6. Security
7. Nearby parking lot for large functions

Cost Estimate	
Building with fire protection systems:	\$3,150,000
Demolition:	\$150,000
Parking Lot for 55 cars:	\$200,000
Landscaping/Security:	\$250,000
Subtotal:	\$3,750,000
Softcosts ¹	\$750,000
TOTAL NEW CONSTRUCTION PROJECT COST	\$4,500,000

SUMMARY:

1. Age: 52 years old
2. Construction methodology—recent examples of condensation problem in the public dining room roof/ceiling, its cost and inconvenience of repair indicate that additional problems may accelerate due the building's age and construction assemblies.
3. Handicapped access—no provisions have been made to provide access to the backyard that is barrier free. Due to the "sunken" public living room on the main floor and Dakota Room in the basement access is not readily available.
4. Safety/security/fire protection—this can be improved upon; no fire suppression system exists in the residence.
5. Parking—is insufficient for large public gatherings
6. Inflexible public use—the governor must participate whenever the public portion of the residence is used therefore limiting the amount of public use that could be available with distinctive separation between the public and private parts of the residence. In addition:
 - a. public spaces are too small for most gatherings requiring that entertaining the legislature be done in several parties
 - b. basement bedrooms and bath must be accessed via same halls that are used by state staff when entertaining
 - c. Public/private driveways should be separate to maximize privacy
7. Serving kitchen for Dakota Room and backyard events is too small and inaccessible. Two separate sets of steps must be traversed between the level of the Dakota Room and the backyard, which creates both safety and efficiency issues.

END OF REPORT

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1015

HB 1015
4/2-13 #1
Subcommittee

Page 3, after line 11, insert:

“SECTION 7. COMMUNITY SERVICE SUPERVISION GRANTS – FUNDING ALLOCATION – APPROPRIATION. The appropriation in section 1 of this Act includes the sum of \$375,000 from the general fund for the purpose of providing community service supervision grants. The office of management and budget shall distribute the grant funds on an annual basis on or before August first of each year of the 2013-15 biennium to North Dakota community corrections association regions as follows:

Barnes County	\$9,091
Bismarck (urban)	20,293
Bismarck (rural)	10,667
Devils Lake	10,747
Dickinson	12,683
Fargo	24,127
Grand Forks	19,803
Jamestown	13,883
Minot	16,194
Richland County	9,931
Rugby	11,657
Sargent County	8,086
Wells County	8,189
Williston	<u>12,149</u>
Total annual allocation	\$187,500

In addition, any moneys available in the community service supervision fund on or before August first of each year of the 2013-15 biennium are appropriated to the office of management and budget for distribution to the North Dakota community corrections association for distribution to community corrections association regions.”

Re-number accordingly

2011-2013 Biennium Contingency Funds

#1
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10/5
4-9-13

Agency	Date	Amount	Description
Attorney General	3/8/2012	80,000.00	Used to cover expenses associated with multi-state arbitration over Tobacco Settlement case.
Attorney General	6/12/2012	30,000.00	Additional money for the Arrest and Return of Fugitives line item
OMB	9/10/2012	651.50	To reimburse 5 counties for expenses due to election recount in District 28
Secretary of State	9/10/2012	15,000.00	Review of 5 initiated petitions submitted for placement on the 2012 general election ballot.
Department of Health	9/10/2012	280,314.00	Increase authority for the Environmental Health Section related to water quality, wastewater disposal
Attorney General	11/28/2012	206,200.00	Increase authority for Litigation Fees Line item.
Total Spent:		612,165.50	
Total Authority:		700,000.00	
Balance Left:		87,834.50	

2009-2011 Biennium Contingency Funds

Agency	Date	Amount	Description
Secretary of State	03/04/10	18,421.00	Required state match for receiving Federal HAVA election reform dollars
OMB	11/30/10	759.20	Reimbursement of 2010 General Election for automatic recount of votes in Districts 43-45
State Treasurer	11/30/10	25,000.00	For expenses related to the oil and gas distribution reporting program.
Attorney General	11/30/10	92,000.00	For anticipated litigation for the Litigation Fees line item for rest of the biennium
Williston State	11/30/10	55,000.00	For operating expenses for part-time security presence on campus.
Total Spent:		191,180.20	
Total Authority:		700,000.00	
Balance Left:		508,819.80	

2007-2009 Biennium Contingency Funds

Agency	Date	Amount	Description
Adjutant General	10/19/2007	120,000.00	Northwood tornado cleanup expenses.
Adjutant General	3/14/2008	(87,947.00)	Unused amount returned.
Attorney General	3/14/2008	25,000.00	Reimburse city and county governments for prosecution witness fees.
Secretary of State	3/14/2008	30,263.00	5% state match for Federal HAVA election reform funds.
Adjutant General	3/14/2008	52,100.00	Reimburse National Guard Emergency Fund.
Attorney General	6/9/2008	7,000.00	Increase the Arrest and Return of Fugitives line item.
Adjutant General	6/9/2008	77,700.00	Reimburse National Guard Emergency Fund for land based fires in the Minot area.
Attorney General	9/15/2008	84,000.00	Reimburse city and county governments for prosecution witness fees.
OMB	11/26/2008	314.64	Reimburse Stutsman County for expenses related to District 12 Senate recount.
Attorney General	11/26/2008	15,000.00	Increase the Arrest and Return of Fugitives line item.
Adjutant General	1/22/2009	100,000.00	Reimburse National Guard Emergency Fund for Governor's winter storm emergency declaration.
VCSU	6/15/2009	<u>276,569.36</u>	Emergency repairs to Osmon Fieldhouse.
	Total Spent:	700,000.00	
	Total Authority:	700,000.00	
	Balance Left:	0.00	

2
Sub
1015
4-9-13

LISTING OF PROPOSED CHANGES TO ENGROSSED HOUSE BILL NO. 1015

Office of Management and Budget

Proposed funding changes:

	FTE	General Fund	Special Funds	Total
Ongoing funding changes				
1 Restore state employee compensation package to the executive budget recommendation including the replacement of compensation guidelines and the removal of an accrued leave payments line item		\$543,658	\$110,701	\$654,359
2 Remove funding added by the House for the state database website (also remove Section 11 which provides for optional reporting by political subdivisions for the state database website)		(100,000)		(100,000)
3 Restore funding removed by the House to contract with external auditors for certain audits		600,000		600,000
4 Remove funding added by the House for the state contingencies fund to provide total funding of \$700,000, the same as the 2011-13 biennium		(300,000)		(300,000)
One-time funding changes				
5 Restore funding removed by the House for a health insurance pool for temporary employees		1,000,000	1,000,000	2,000,000
6 Restore funding removed by the House for Prairie Public Broadcasting equipment upgrades		500,000		500,000
7 Restore funding removed by the House for the Capitol Grounds parking lot project		4,000,000		4,000,000
8 Add funding from the capitol building fund to construct a new Governor's residence (Sen. Laffen amendment)			1,500,000	1,500,000
Total proposed funding changes		<u>\$6,243,658</u>	<u>\$2,610,701</u>	<u>\$8,854,359</u>

Listing of proposed pages page 2

2
HB 1015
4-9-13
Subcom

Other proposed changes:

- 1 Adjust special fund authority of \$185,000 added by the House for Central Services operations to provide \$30,000 for salaries and wages and \$155,000 for capital assets. (Requested by OMB)
- 2 Add a section to provide guidelines regarding the allocation of community service supervision grants. (Requested by OMB)

Department of Human Services
Bills with a Fiscal Impact
2013-2015 Biennium
As of April 12, 2013, at 4:00 PM

Bill Number	Description of Bill	Appropriation			Bills with No Appropriations Expenditures and FTE as Included in Fiscal Notes				Status
		FTE	General	Other	FTE	General	Other	Total	
1038	Provides an appropriation to DHS for autism-related programs	1.00	3,119,854	-	-	-	-	-	Passed House To Senate Floor DPA
1170	Provides nursing and basic care facilities with an expedited ratesetting process to cover costs associated with Patient Protection and ACA as it relates to health insurance policies to the facilities' employees	-	-	-	-	830,922	830,922	1,661,844	Passed House Passed Senate (Amended)
1172	Allows nursing homes or basic care service providers the first preferred claim against a decedent's estate for outstanding recipient liability owed to the facility	-	-	-	-	49,810	50,190	100,000	Filed with Secretary of State
1176	Allows individuals convicted of a drug felony to be eligible to participate in SNAP and TANF programs if at least seven years has elapsed since their most recent conviction	-	-	-	-	11,136	489,168	500,304	Filed with Secretary of State
1209 *	Restricts DHS from limiting compensation for top management personnel of a basic care facility with some exceptions	-	-	-	-	217,741	-	217,741	Governor Vetoed
1233	Provides for additional state financial support for county social service programs provided at the direction of the state	-	-	-	-	20,542,038	(19,947,758)	594,280	Passed House On Senate Calendar with DP
1274	Requires ND Medicaid to accept electronic prior authorizations submitted by prescribers through their e-prescribing software	-	-	-	1.00	74,831	224,493	299,324	Signed by Governor
1302	Provides for an underage drinking prevention program	-	360,000	-	-	-	-	-	House: Ruby, K. Koppelman, Delmore Senate: Oehlke, Armstrong, Axness
1362	Provides an appropriation to DHS any amount of federal funds relating to implementing the provisions for the expansion of the medical assistance program for the Patient Protection and ACA	-	-	-	3.00	248,789	157,742,548	157,991,337	Signed by Speaker Signed by President
1422	Provides an appropriation to DHS for a child care stabilization initiative.	-	2,600,000	-	-	-	-	-	Passed House Amended by Senate HS/In Senate Approps
2193	Provides an appropriation to DHS for autism-related programs	1.00	515,136	-	-	339,779	804,915	1,144,694	Passed Senate Passed House (Amended)
2205	Provides an appropriation to DHS for the purpose of providing a grant to an organization for administering statewide 2-1-1 services.	-	125,000	-	-	-	-	-	Sen: J. Lee, Dever, Axness House: Weisz, Kiefert, Oversen
2271	Provides for DHS to provide administrative services to the Committee of Employment of People with Disabilities	-	-	-	-	27,954	12,000	39,954	Filed with Secretary of State
2356	Provides an appropriation to DHS for the purpose of providing grants to children's advocacy centers.	-	300,000	-	-	-	-	-	Signed by President Signed by Speaker
Totals		2.00	7,019,990	-	4.00	22,343,000	140,206,478	162,549,478	
1360	Authorizes the Department to provide funding for the expansion of the Programs for All-Inclusive Care for the Elderly (PACE)	-	-	-	-	855,582	855,582	1,711,164	Signed by Speaker Signed by President

* The amount shown is one-half of the amount contained in the fiscal note. The Bill is effective for rates beginning July 1, 2014. The fiscal note was based on the Bill impacting rates beginning July 1, 2013.

April 12, 2013

#2

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1015

Page 1, line 2, after "budget" insert "and the department of human services"

Page 2, after line 31, insert:

"SECTION 4. APPROPRIATION - DEPARTMENT OF HUMAN SERVICES.

There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$847,641, or so much of the sum as may be necessary, and from special funds derived from federal funds and other income, the sum of \$155,518,399, or so much of the sum as may be necessary, to the department of human services for the purpose of funding the following initiatives, for the biennium beginning July 1, 2013, and ending June 30, 2015. The department of human services is authorized four full-time equivalent positions.

Expedited ratesetting process	\$1,661,844
Recipient liability first claim	100,000
Supplemental nutrition assistance and temporary assistance for needy families program changes	500,304
Electronic prescriptions	299,324
Medical assistance program expansion	154,991,337
Committee on employment of people with disabilities	<u>39,594</u>
Total all funds	\$157,592,403
Less estimated income	<u>156,349,321</u>
Total general fund appropriation	\$1,243,082"

Page 7, line 20, replace "11" with "12"

Renumber accordingly

#3

LISTING OF PROPOSED CHANGES TO ENGROSSED HOUSE BILL NO. 1015

Office of Management and Budget

Proposed funding changes:

	FTE	General Fund	Special Funds	Total
Ongoing funding changes				
1 Restore state employee compensation package to the executive budget recommendation including the replacement of compensation guidelines and the removal of an accrued leave payments line item		\$543,658	\$110,701	\$654,359
2 Remove funding added by the House for the state database website (also remove Section 11 which provides for optional reporting by political subdivisions for the state database website)		(100,000)		(100,000)
3 Restore funding removed by the House to contract with external auditors for certain audits		600,000		600,000
4 Remove funding added by the House for the state contingencies fund to provide total funding of \$700,000, the same as the 2011-13 biennium		(300,000)		(300,000)
One-time funding changes				
5 Restore funding removed by the House for a health insurance pool for temporary employees		1,000,000	1,000,000	2,000,000
6 Restore funding removed by the House for Prairie Public Broadcasting equipment upgrades		500,000		500,000
7 Restore funding removed by the House for the Capitol Grounds parking lot project		4,000,000		4,000,000
8 Add funding for OMB to contract for a land use study of the Missouri River Correctional Center site		50,000		50,000
Total proposed funding changes		<u>\$6,293,658</u>	<u>\$1,110,701</u>	<u>\$7,404,359</u>

Other proposed changes:

- 1 Adjust special fund authority of \$185,000 added by the House for Central Services operations to provide \$30,000 for salaries and wages and \$155,000 for capital assets. (Requested by OMB)
- 2 Add a section to provide guidelines regarding the allocation of community service supervision grants. (Requested by OMB)
- 3 **Remove Legislative Management studies added by the House relating to state agency facility needs, state employee salary allocations, and state employee health insurance premiums.**

1
1015
Subcom.
4-16-13

LISTING OF PROPOSED CHANGES TO ENGROSSED HOUSE BILL NO. 1015

Office of Management and Budget

Proposed funding changes:

	FTE	General Fund	Special Funds	Total
Ongoing funding changes				
1 Restore state employee compensation package to the executive budget recommendation including the replacement of compensation guidelines and the removal of an accrued leave payments line item		\$543,658	\$110,701	\$654,359
2 Remove funding added by the House for the state database website (also remove Section 11 which provides for optional reporting by political subdivisions for the state database website)		(100,000)		(100,000)
3 Restore funding removed by the House to contract with external auditors for certain audits		600,000		600,000
4 Remove funding added by the House for the state contingencies fund to provide total funding of \$700,000, the same as the 2011-13 biennium		(300,000)		(300,000)
One-time funding changes				
5 Restore funding removed by the House for a health insurance pool for temporary employees		1,000,000	1,000,000	2,000,000
6 Restore funding removed by the House for Prairie Public Broadcasting equipment upgrades		500,000		500,000
7 Restore funding removed by the House for the Capitol Grounds parking lot project		4,000,000		4,000,000
8 Add funding for OMB to contract for a land use study of the Missouri River Correctional Center site		50,000		50,000
Total proposed funding changes		\$6,293,658	\$1,110,701	\$7,404,359

Other proposed changes:

- 1 Adjust special fund authority of \$185,000 added by the House for Central Services operations to provide \$30,000 for salaries and wages and \$155,000 for capital assets. (Requested by OMB)
- 2 Add a section to provide guidelines regarding the allocation of community service supervision grants. (Requested by OMB)
- 3 **Remove Legislative Management studies added by the House relating to state agency facility needs, state employee salary allocations, and state employee health insurance premiums.**

SECTION 5. MISSOURI RIVER CORRECTIONAL CENTER STUDY - BUDGET

SECTION REPORT. The operating expenses line item in section 1 of this Act includes the sum of \$50,000 from the general fund which must be used by the office of management and budget to contract for a land use study of the missouri river correctional center site. The study must review options to relocate the center to another site, options to develop all or a portion of the current site into a day park, and options to continue agriculture activities on the current site. The study may not include a review of options to develop the land for residential, commercial, or industrial purposes. During the 2013-14 interim, the office of management and budget shall provide a report to the budget section regarding the results of the study.

#2
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PROPOSED AMENDMENT TO HOUSE BILL NO. 1015

#3
#HB 1015
Subcom
4-16-13

Page 6, after line 8, insert:

SECTION 11. AMENDMENT. Section 48-10-02 of the North Dakota Century Code is amended and reenacted as follows:

48-10-02. Capitol building fund to be administered by the capitol grounds planning commission – Continuing appropriation – Procedure for expenditure of certain funds.

The capitol grounds planning commission shall have general powers to superintend the administration of the capitol building fund, its interest and income fund, and its investments and properties. It may cause any lands now held in such funds to be sold at market value, direct the conversion of any securities now held by such funds to cash, approve expenditures from such funds subject to law and legislative appropriations, and to do all other things necessary to carry out the intent and purposes of this section. The board of university and school lands or its designee, on the commission's behalf, shall see to the investment and management of the capitol building fund and its interest and income fund and shall account to the commission concerning these funds at the commission's request.

Provided further, all moneys and other property in the capitol building fund, except as otherwise appropriated, are hereby dedicated and reserved to the exclusive purpose of the construction of an addition to the legislative wing of the state capitol building, and the capitol grounds planning commission shall take necessary steps to accumulate and conserve the money and property in the capitol building fund for such purpose.

The commission may, during any biennium, expend from the interest and income fund of the capitol building fund a sum not to exceed fifty percent of the unencumbered balance on the first day of any biennium, and such amount is hereby appropriated to the capitol grounds planning commission. The expenditure may be made, after consideration of the capitol grounds master plan, for projects or planning but shall not exceed ~~one hundred~~ two hundred and fifty thousand dollars per biennium.

The expenditure may only be made upon approval by two-thirds of the total membership of the commission. The expenditure must be made upon a voucher, or vouchers, prepared by the office of management and budget at the direction of the commission.

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1015 - Funding Summary

	Executive Budget	Final Legislative Action	Comparison To Executive Budget
DOCR			
Adult Services	\$164,525,852	\$162,487,498	(\$2,038,354)
Youth Services	27,584,571	27,584,571	
Borrowing authority		1,100,000	1,100,000
Total all funds	\$192,110,423	\$191,172,069	(\$938,354)
Less estimated income	30,506,150	31,606,150	1,100,000
General fund	\$161,604,273	\$159,565,919	(\$2,038,354)
FTE	802.29	794.29	(8.00)
Bill Total			
Total all funds	\$192,110,423	\$191,172,069	(\$938,354)
Less estimated income	30,506,150	31,606,150	1,100,000
General fund	\$161,604,273	\$159,565,919	(\$2,038,354)
FTE	802.29	794.29	(8.00)

House Bill No. 1015 - Office of Management and Budget - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Transfer to State Penitentiary land fund			\$1,100,000	\$1,100,000
Total all funds	\$0	\$0	\$1,100,000	\$1,100,000
Less estimated income	0	0	0	0
General fund	\$0	\$0	\$1,100,000	\$1,100,000
FTE	0.00	0.00	0.00	0.00

Department 110 - Office of Management and Budget - Detail of Senate Changes

	Adds Funding for Transfer to State Penitentiary Land Fund¹	Total Senate Changes
Transfer to State Penitentiary land fund	1,100,000	1,100,000
Total all funds	\$1,100,000	\$1,100,000
Less estimated income	0	0
General fund	\$1,100,000	\$1,100,000
FTE	0.00	0.00

¹ A section is added requiring the Office of Management and Budget (OMB) transfer funding from the general fund to the State Penitentiary land fund for providing funds for the prison expansion project.

House Bill No. 1015 - Office of Management and Budget - Conference Committee Action

This amendment removes the appropriation included in the Senate version of \$1.1 million from the general fund to OMB for a transfer to the State Penitentiary land fund.

House Bill No. 1015 - DOCR - House Action

	Executive Budget	House Changes	House Version
Adult Services	\$164,525,852	(\$2,431,518)	\$162,094,334
Youth Services	27,584,571		27,584,571
Total all funds	\$192,110,423	(\$2,431,518)	\$189,678,905
Less estimated income	30,506,150	0	30,506,150
General fund	\$161,604,273	(\$2,431,518)	\$159,172,755
FTE	802.29	(7.00)	795.29

Department 530 - DOCR - Detail of House Changes

	Removes New FTE Position ¹	Reduces Funding for Equipment²	Reduces Funding for Extraordinary Repairs at JRCC³	Removes Funding for Extraordinary Repairs at MRCC⁴	Reduces Funding for Contract Housing⁵	Reduces Funding to House Female Inmates⁶
Adult Services	(265,375)	(158,200)	(198,250)	(45,000)	(1,000,000)	(400,000)
Youth Services						
Total all funds	(\$265,375)	(\$158,200)	(\$198,250)	(\$45,000)	(\$1,000,000)	(\$400,000)
Less estimated income	0	0	0	0	0	0
General fund	(\$265,375)	(\$158,200)	(\$198,250)	(\$45,000)	(\$1,000,000)	(\$400,000)
FTE	(7.00)	0.00	0.00	0.00	0.00	0.00

	Reduces Funding for Operating Expenses⁷	Reduces Funding for Professional Development⁸	Reduces Funding for Utilities⁹	Total House Changes
Adult Services	(229,693)	(35,000)	(100,000)	(2,431,518)
Youth Services				
Total all funds	(\$229,693)	(\$35,000)	(\$100,000)	(\$2,431,518)
Less estimated income	0	0	0	0
General fund	(\$229,693)	(\$35,000)	(\$100,000)	(\$2,431,518)
FTE	0.00	0.00	0.00	(7.00)

¹ This amendment removes 3 FTE health care orderly positions, 1 FTE system mechanic position, 1 FTE dental assistant position, 1 FTE training officer position, and 1 FTE administrative position, which were added in the executive budget recommendation and related operating expenses.

² This amendment:

- Reduces one-time funding included in the executive budget recommendation for a road grader from \$130,000 to \$50,000.
- Reduces one-time funding included in the executive budget for utility vehicles from \$18,400 to \$9,200.
- Removes one-time funding of \$32,000 included in the executive budget recommendation for a command center incident trailer at the James River Correctional Center and an Interactive Video Network system for training and a computer training laboratory at the State Penitentiary.
- Removes one-time funding of \$37,000 included in the executive budget recommendation for 40 radios.

³ One-time funding included in the executive budget recommendation for a dayroom and secured recreational areas in the special assistance unit at the James River Correctional Center is removed.

⁴ One-time funding included in the executive budget recommendation for extraordinary repairs at the Missouri River Correctional Center is removed.

⁵ This amendment reduces funding for contract treatment, transitional, and overflow housing from \$23.5 million to \$22.5 million.

⁶ This amendment reduces funding for the contract to house female inmates at the Dakota Women's Correctional and Rehabilitation Center from \$8.59 million to \$8.19 million.

⁷ This amendment reduces funding for operating expenses for Adult Services.

⁸ This amendment reduces funding for motivational speakers.

⁹ This amendment reduces funding for utilities at the State Penitentiary.

This amendment also:

- Removes a section allowing the department to retain 2009-11 unspent general fund appropriation authority and use it for the prison expansion project during the 2011-13 biennium. This change will result in an estimated \$1.6 million of additional 2009-11 general fund turnback.
- Adds a section of legislative intent providing that the department not hire any new FTE positions until 90 days prior to the project completion date.
- Adds a section to provide that the Legislative Management consider a study on the relocation of the Missouri River Correctional Center.
- Requires the department to report quarterly to the Budget Section regarding the progress of the prison expansion project.

House Bill No. 1015 - DOCR - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Adult Services	\$164,525,852	\$162,094,334	\$473,164	\$162,567,498
Youth Services	27,584,571	27,584,571		27,584,571
Total all funds	<u>\$192,110,423</u>	<u>\$189,678,905</u>	\$473,164	<u>\$190,152,069</u>
Less estimated income	30,506,150	30,506,150	0	30,506,150
General fund	<u>\$161,604,273</u>	<u>\$159,172,755</u>	\$473,164	<u>\$159,645,919</u>
FTE	802.29	795.29	(1.00)	794.29

Department 530 - DOCR - Detail of Senate Changes

	Restores Funding for Contract Housing¹	Restores FTE Position²	Removes New FTE Positions³	Restores Funding for Utilities⁴	Restores Funding for Operating Expenses⁵	Total Senate Changes
Adult Services	300,000	45,279	(80,898)	100,000	108,783	473,164
Youth Services						
Borrowing authority						
Total all funds	<u>\$300,000</u>	<u>\$45,279</u>	<u>(\$80,898)</u>	<u>\$100,000</u>	<u>\$108,783</u>	<u>\$473,164</u>
Less estimated income	0	0	0	0	0	0
General fund	<u>\$300,000</u>	<u>\$45,279</u>	<u>(\$80,898)</u>	<u>\$100,000</u>	<u>\$108,783</u>	<u>\$473,164</u>
FTE	0.00	1.00	(2.00)	0.00	0.00	(1.00)

¹ This amendment restores \$300,000 for contract housing. The House removed \$1 million.

² This amendment restores 1 FTE system mechanic position and related operating expenses which were removed by the House.

³ This amendment removes 2 FTE correctional officer II positions and related operating expenses included in the executive recommendation.

⁴ Funding for utilities for the prison expansion, removed by the House, is restored.

⁵ Funding for operating expenses for Adult Services, removed by the House, is restored.

A section is added providing criteria for a contract with an organization to provide housing for female inmates and sections relating to the Heart of America Correctional and Treatment Center and for a study of the Missouri River Correctional Center are removed.

House Bill No. 1015 - DOCR - Conference Committee Action

	Executive Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Adult Services	\$164,525,852	\$162,094,334	\$393,164	\$162,487,498	\$162,567,498	(\$80,000)
Youth Services	27,584,571	27,584,571		27,584,571	27,584,571	
Borrowing authority			1,100,000	1,100,000		1,100,000
Total all funds	\$192,110,423	\$189,678,905	\$1,493,164	\$191,172,069	\$190,152,069	\$1,020,000
Less estimated income	30,506,150	30,506,150	1,100,000	31,606,150	30,506,150	1,100,000
General fund	\$161,604,273	\$159,172,755	\$393,164	\$159,565,919	\$159,645,919	(\$80,000)
FTE	802.29	795.29	(1.00)	794.29	794.29	0.00

Department 530 - DOCR - Detail of Conference Committee Changes

	Restores Funding for Contract Housing¹	Restores FTE Position²	Removes New FTE Positions³	Restores Funding for Utilities⁴	Restores Funding for Operating Expenses⁵	Adds Funding for Penitentiary Expansion Project⁶
Adult Services	220,000	45,279	(80,898)	100,000	108,783	
Youth Services						
Borrowing authority						1,100,000
Total all funds	\$220,000	\$45,279	(\$80,898)	\$100,000	\$108,783	\$1,100,000
Less estimated income	0	0	0	0	0	1,100,000
General fund	\$220,000	\$45,279	(\$80,898)	\$100,000	\$108,783	\$0
FTE	0.00	1.00	(2.00)	0.00	0.00	0.00

	Total Conference Committee Changes
Adult Services	393,164
Youth Services	
Borrowing authority	1,100,000
Total all funds	\$1,493,164
Less estimated income	1,100,000
General fund	\$393,164
FTE	(1.00)

¹ This amendment restores \$220,000 for contract housing. The House removed \$1 million. The Senate restored \$300,000.

² This amendment restores 1 FTE system mechanic position and related operating expenses which were removed by the House, the same as the Senate version.

³ This amendment removes 2 FTE correctional officer II positions and related operating expenses included in the executive recommendation, the same as the Senate version.

⁴ Funding for utilities for the prison expansion removed by the House is restored, the same as the Senate version.

⁵ Funding of \$108,783 for operating expenses for Adult Services is restored, the same as the Senate version. The House removed \$229,693.

⁶ A section is added to authorize the Department of Corrections and Rehabilitation to borrow and spend up to \$1.1 million from the Bank of North Dakota for the State Penitentiary expansion project. The Senate provided that OMB transfer \$1.1 million from the general fund to the State Penitentiary land fund.

Sections are added providing criteria for a contract with an organization to provide housing for female inmates and authorizing the department to borrow money from the Bank of North Dakota for the State Penitentiary expansion project. Sections relating to the Heart of America Correctional and Treatment Center and for a study of the Missouri River Correctional Center are removed. The Senate also removed these sections.

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4-19-13

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1015

Page 1, line 2, remove "to create and"

Page 1, remove line 3

Page 1, line 4, remove "political subdivisions submitting budget information to the state budget database website;"

Page 1, line 5, replace "section" with "sections"

Page 1, line 5, after "15.1-27-25" insert "and 48-10-02"

Page 1, line 6, after "royalties" insert "and the capitol building fund"

Page 1, line 7, after the semicolon insert "to provide for a budget section report; and"

Page 1, line 7, after "to provide for" insert "a"

Page 1, line 7, remove "studies; and to provide an effective"

Page 1, line 8, remove "date" and insert immediately thereafter "study"

Page 1, remove lines 18 through 24

Page 2, replace lines 1 through 5 with:

"Salaries and wages	\$18,477,763	\$2,341,310	\$20,819,073
Operating expenses	13,755,254	1,191,534	14,946,788
Emergency commission contingency fund	700,000	0	700,000
Capital assets	5,190,143	4,760,922	9,951,065
Grants	430,000	0	430,000
Prairie public broadcasting	1,000,000	1,037,138	2,037,138
State student internship program	200,000	0	200,000
Health insurance pool - temporary employees	<u>0</u>	<u>2,000,000</u>	<u>2,000,000</u>
Total all funds	\$39,753,160	\$11,330,904	\$51,084,064
Less estimated income	10,514,461	(734,162)	9,780,299
Total general fund	\$29,238,699	\$12,065,066	\$41,303,765"

Page 2, replace line 13 with:

"Capitol complex parking lot repairs	800,000	4,000,000"
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Page 2, replace lines 19 through 21 with:

"Prairie public broadcasting	0	700,000
Health insurance pool	0	2,000,000
Land use study	0	50,000
Repair and cleaning capitol and j-wing	<u>0</u>	<u>1,200,000</u>
Total all funds	\$478,354,000	10,640,000
Less estimated income	<u>0</u>	<u>1,000,000</u>
Total general fund	\$478,354,000	\$9,640,000"

Page 2, after line 31, insert:

"SECTION 4. COMMUNITY SERVICE SUPERVISION GRANTS - FUNDING ALLOCATIONS - ADDITIONAL INCOME APPROPRIATION. The grants line item in section 1 of this Act includes the sum of \$375,000 from the general fund for the purpose of providing community service supervision grants. The office of management and budget shall distribute the grant funds on or before August first during each year of the biennium beginning July 1, 2013, and ending June 30, 2015, to North Dakota community corrections association regions as follows:

Barnes county	\$9,091
Bismarck (urban)	20,293
Bismarck (rural)	10,667
Devils Lake	10,747
Dickinson	12,683
Fargo	24,127
Grand Forks	19,803
Jamestown	13,883
Minot	16,194
Richland County	9,931
Rugby	11,657
Sargent County	8,086
Wells County	8,189
Williston	<u>12,149</u>
Total	\$187,500

Any moneys in the community service supervision fund are appropriated to the office of management and budget for distribution to community corrections association regions on or before August first of each year during the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 5. MISSOURI RIVER CORRECTIONAL CENTER STUDY - BUDGET SECTION REPORT. The operating expenses line item in section 1 of this Act includes the sum of \$50,000 from the general fund which must be used by the office of management and budget to contract for a land use study of the Missouri River correctional center site. The study must review options to relocate the center to another site, options to develop all or a portion of the current site into a day park, and options to continue agriculture activities on the current site. The study may not include a review of options to develop the land for residential, commercial, or industrial purposes. During the 2013-14 interim, the office of management and budget shall provide a report to the budget section regarding the results of the study."

Page 3, line 18, replace "8" with "10"

Page 3, line 19, remove "However, agencies may not transfer appropriation authority"

Page 3, line 20, remove "from the accrued leave payments line item under authority granted in this section."

Page 3, remove lines 22 through 30

Page 4, replace lines 1 through 31 with:

"SECTION 10. STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES. It is the intent of the sixty-third legislative assembly that 2013-15 biennium compensation adjustments for classified state employees are to be in a range

of one to four percent for employees below the market policy point and in a range of three to five percent based on documented performance. Increases for classified state employees are not to be the same percentage increase for each employee. The market and performance increases are to be given beginning with the month of July 2013, to be paid in August 2013, and beginning with the month of July 2014, to be paid in August 2014.

Probationary employees are not entitled to the market and performance increases. However, probationary employees may be given all or a portion of the increases effective in July, paid in August, or upon completion of probation, at the discretion of the appointing authority.

The office of management and budget shall develop guidelines for use by state agencies for providing compensation adjustments for regular classified employees. The guidelines must follow section 54-44.3-01.2, compensation philosophy statement, and the compensation system initiatives included in House Bill No. 1031, as approved by the sixty-second legislative assembly.

Compensation adjustments for regular nonclassified state employees are to be in a range of three to five percent based on market and documented performance and are not to be the same percentage increase for each employee.

Employees whose overall documented performance level does not meet standards are not eligible for any salary increase.

SECTION 11. OFFICE OF MANAGEMENT AND BUDGET - TEMPORARY EMPLOYEE HEALTH INSURANCE POOL - TRANSFER AUTHORITY. The office of management and budget may transfer to each eligible agency appropriation authority from the health insurance pool - temporary employees line item contained in section 1 of this Act. Transfers may be made for the purpose of providing temporary employee health insurance adjustments for state employees, including institutions of higher education, determined to be full-time based on guidelines developed by the office of management and budget in accordance with the shared responsibility provisions of the Affordable Care Act for the biennium beginning July 1, 2013, and ending June 30, 2015."

Page 6, remove lines 9 through 31

Page 7, replace lines 1 through 13 with:

"SECTION 13. AMENDMENT. Section 48-10-02 of the North Dakota Century Code is amended and reenacted as follows:

48-10-02. Capitol building fund to be administered by the capitol grounds planning commission - Continuing appropriation - Procedure for expenditure of certain funds.

The capitol grounds planning commission shall have general powers to superintend the administration of the capitol building fund, its interest and income fund, and its investments and properties. It may cause any lands now held in such funds to be sold at market value, direct the conversion of any securities now held by such funds to cash, approve expenditures from such funds subject to law and legislative appropriations, and to do all other things necessary to carry out the intent and purposes of this section. The board of university and school lands or its designee, on the commission's behalf, shall see to the investment and management of the capitol

building fund and its interest and income fund and shall account to the commission concerning these funds at the commission's request.

Provided further, all moneys and other property in the capitol building fund, except as otherwise appropriated, are hereby dedicated and reserved to the exclusive purpose of the construction of an addition to the legislative wing of the state capitol building, and the capitol grounds planning commission shall take necessary steps to accumulate and conserve the money and property in the capitol building fund for such purpose.

The commission may, during any biennium, expend from the interest and income fund of the capitol building fund a sum not to exceed fifty percent of the unencumbered balance on the first day of any biennium, and such amount is hereby appropriated to the capitol grounds planning commission. The expenditure may be made, after consideration of the capitol grounds master plan, for projects or planning but ~~shall may~~ not exceed ~~one hundred two hundred and fifty~~ thousand dollars per biennium. The expenditure may only be made upon approval by two-thirds of the total membership of the commission. The expenditure must be made upon a voucher, or vouchers, prepared by the office of management and budget at the direction of the commission."

Page 7, remove lines 20 and 21

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1015 - Office of Management and Budget - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$20,904,344	\$19,719,302	\$1,099,771	\$20,819,073
Operating expenses	14,696,788	14,226,788	720,000	14,946,788
Capital assets	9,796,065	5,796,065	4,155,000	9,951,065
Grants	430,000	430,000		430,000
Emergency Commission contingency fund	700,000	1,000,000	(300,000)	700,000
Prairie Public Broadcasting	2,037,138	1,537,138	500,000	2,037,138
State student internship program	200,000	200,000		200,000
Health insurance pool - temp employees	2,000,000		2,000,000	2,000,000
Accrued leave payments		570,412	(570,412)	
Transfer to property tax fund		<u>373,210,000</u>		<u>373,210,000</u>
Total all funds	\$50,764,335	\$416,689,705	\$7,604,359	\$424,294,064
Less estimated income	<u>9,589,395</u>	<u>8,669,598</u>	<u>1,110,701</u>	<u>9,780,299</u>
General fund	\$41,174,940	\$408,020,107	\$6,493,658	\$414,513,765
FTE	131.50	130.50	0.00	130.50

Department No. 110 - Office of Management and Budget - Detail of Senate Changes

	Restores Executive Compensation Package¹	Removes Separate Line Item for Accrued Leave Payments²	Adjusts Line Item Funding for Central Services Operations³	Restores Funding to Contract with Auditors⁴	Adds Funding for Land Use Study⁵	Removes Funding for State Database Website⁶
Salaries and wages	\$654,359	\$570,412	(\$125,000)			
Operating expenses			(30,000)	600,000	50,000	100,000
Capital assets			155,000			

Grants						
Emergency Commission contingency fund						
Prairie Public Broadcasting State student internship program						
Health insurance pool - temp employees						
Accrued leave payments		(570,412)				
Transfer to property tax fund						
Total all funds	\$654,359	\$0	\$0	\$600,000	\$50,000	\$100,000
Less estimated income	110,701	0	0	0	0	0
General fund	\$543,658	\$0	\$0	\$600,000	\$50,000	\$100,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Restores Funding for Parking Lot Project ⁷	Reduces Funding for State Contingencies ⁸	Restores One-Time Funding for Prairie Public Broadcasting ⁹	Restore Health Insurance Pool for Temporary Employees ¹⁰	Total Senate Changes
Salaries and wages					\$1,099,771
Operating expenses					720,000
Capital assets	4,000,000				4,155,000
Grants					
Emergency Commission contingency fund		(300,000)			(300,000)
Prairie Public Broadcasting State student internship program			500,000		500,000
Health insurance pool - temp employees				2,000,000	2,000,000
Accrued leave payments					(570,412)
Transfer to property tax fund					
Total all funds	\$4,000,000	(\$300,000)	\$500,000	\$2,000,000	\$7,604,359
Less estimated income	0	0	0	1,000,000	1,110,701
General fund	\$4,000,000	(\$300,000)	\$500,000	\$1,000,000	\$6,493,658
FTE	0.00	0.00	0.00	0.00	0.00

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

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

³ Special fund authority added by the House for Central Services operations is adjusted among line items to reflect anticipated expenses.

⁴ Funding removed by the House to allow the Office of Management and Budget to contract with external auditors for certain audits is restored.

⁵ One-time funding is added for the Office of Management and Budget to contract for a land use study of the Missouri River Correctional Center site. A section is also added to the bill to provide guidelines for the study and to provide for a report to the Budget Section on the study.

⁶ Funding added by the House for costs associated with the implementation of a political subdivision-reporting component for the state database website is removed.

⁷ One-time funding from the general fund removed by the House for Capitol grounds parking lot projects is restored.

⁸ Funding for the state contingency fund is reduced from \$1,000,000 to \$700,000, the same amount as provided in the executive budget recommendation.

⁹ One-time funding of \$500,000 removed by the House for Prairie Public Broadcasting equipment upgrades is restored to provide total one-time funding of of \$700,000.

¹⁰ Funding removed by the House for a health insurance pool for temporary employees is restored. A section is added to allow the Office of Management and Budget to transfer funds from the pool to other state agencies.

This amendment also:

- Adds a section to provide guidelines regarding the allocation of community service supervision grants and provides that any funding available in the community service supervision fund is appropriated to the Office of Management and Budget for distribution to community corrections association regions.
- Amends Section 48-10-02 to increase the continuing appropriation provided from the Capitol building fund to the Capitol Ground Planning Commission from \$100,000 per biennium to \$250,000 per biennium.
- Restores state employee compensation guidelines to the executive budget recommendation. A section added by the House regarding the use of funding in the accrued leave payments line item is removed.
- Removes Section 11 of the bill which enacts a new statutory section for a political subdivision-reporting component to the state database website. Section 15, which provided an effective date for the new statutory section, is also removed.
- Removes sections 12 and 13 of the bill which provide for studies of state agency facility needs and state employee compensation.

2
HB 1015
4-19-13

LISTING OF PROPOSED CHANGES TO ENGROSSED HOUSE BILL NO. 1015

Office of Management and Budget

Proposed funding changes:

	FTE	General Fund	Special Funds	Total
Ongoing funding changes				
✓ 1 Restore state employee compensation package to the executive budget recommendation including the replacement of compensation guidelines and the removal of an accrued leave payments line item		\$543,658	\$110,701	\$654,359
✓ 2 Remove funding added by the House for the state database website (also remove Section 11 which provides for optional reporting by political subdivisions for the state database website)		(100,000)		(100,000)
3 Restore funding removed by the House to contract with external auditors for certain audits		600,000		600,000
4 Remove funding added by the House for the state contingencies fund to provide total funding of \$700,000, the same as the 2011-13 biennium		(300,000)		(300,000)
One-time funding changes				
5 Restore funding removed by the House for a health insurance pool for temporary employees		1,000,000	1,000,000	2,000,000
6 Restore funding removed by the House for Prairie Public Broadcasting equipment upgrades		500,000		500,000
7 Restore funding removed by the House for the Capitol Grounds parking lot project		4,000,000		4,000,000
8 Add funding for OMB to contract for a land use study of the Missouri River Correctional Center site		50,000		50,000
Total proposed funding changes		<u>\$6,293,658</u>	<u>\$1,110,701</u>	<u>\$7,404,359</u>

Other proposed changes:

- 1 Adjust special fund authority of \$185,000 added by the House for Central Services operations to provide \$30,000 for salaries and wages and \$155,000 for capital assets. (Requested by OMB)
- 2 Add a section to provide guidelines regarding the allocation of community service supervision grants. (Requested by OMB)
- 3 **Remove Legislative Management studies added by the House relating to state agency facility needs, state employee salary allocations, and state employee health insurance premiums.**

HOUSE BILL NO. 1015 - COMPARISON OF EXECUTIVE BUDGET AND HOUSE AND SENATE VERSIONS

DIFFERENCES IN APPROPRIATIONS

The table below summarizes appropriations differences between the executive budget and the House version and the Senate version of House Bill No. 1015.

	Executive Budget ¹	House Version ¹	Senate Version ¹
Remove vacant full-time equivalent (FTE) position and related funding (requested by the Office of Management and Budget (OMB))	\$0	(\$150,000)	(\$150,000)
Funding to contract with external auditors for certain audits	\$600,000	\$0	\$600,000
Total state contingencies funding	\$700,000	\$1,000,000	\$700,000
Health insurance pool for temporary employees	\$2,000,000	\$0	\$2,000,000
One-time funding for Prairie Public Broadcasting	\$700,000	\$200,000	\$700,000
One-time funding for Capitol grounds parking lot project	\$4,000,000	\$0	\$4,000,000
Additional special funds authority for Central Services operations	\$0	\$185,000	\$185,000
Land use study of Missouri River Correctional Center	\$0	\$0	\$50,000
State agency energy impact funding pool	\$0	\$0	\$8,500,000

¹Does not include funding changes relating to the state employee compensation package.

DIFFERENCES IN BILL SECTIONS

The table below summarizes the sections included in House Bill No. 1015 in the executive budget, the House version, and the Senate version.

Executive Budget	House Version	Senate Version
<p>Section 3 - General fund transfer to property tax relief sustainability fund</p> <ul style="list-style-type: none"> Transfers \$744,767,676 from the general fund to the property tax relief sustainability fund during the 2011-13 biennium 	<p>Section 3 - General fund transfer to property tax relief sustainability fund</p> <ul style="list-style-type: none"> Transfers \$373,210,000 from the general fund to the property tax relief sustainability fund during the 2013-15 biennium 	<p>Section 3 - General fund transfer to property tax relief sustainability fund</p> <ul style="list-style-type: none"> Same as the House version <p>Section 4 - State agency energy impact pool</p> <ul style="list-style-type: none"> Provides \$4 million from the general fund and \$4.5 million of special funds for a funding pool to provide state employee housing and compensation adjustments in areas affected by energy development <p>Section 5 - Community services supervision grants</p> <ul style="list-style-type: none"> Provides guidelines regarding the allocation of community service supervision grants Provides appropriation authority to distribute any funds deposited in the community service supervision fund

1

Executive Budget	House Version	Senate Version
<p>Section 4 - Fiscal Management Division carryover authority</p> <ul style="list-style-type: none"> Allows OMB to continue unexpended 2009-11 biennium appropriations into the 2013-15 biennium for the Fiscal Management Division <p>Section 5 - Grants and special items</p> <ul style="list-style-type: none"> Identifies grants and other special items to be paid from appropriations to OMB <p>Section 6 - State student internship program</p> <ul style="list-style-type: none"> Authorizes OMB to transfer funds to other agencies for the state student internship program <p>Section 7 - Temporary employee health insurance pool</p> <ul style="list-style-type: none"> Authorizes OMB to transfer funds from the temporary employee health insurance pool to other agencies <p>Section 8 - Compensation package funding transfers</p> <ul style="list-style-type: none"> Authorizes state agencies to transfer appropriation authority between line items as it relates to the state employee compensation package <p>Section 9 - Compensation package guidelines</p> <ul style="list-style-type: none"> Provides that performance adjustments are to range from 3 to 5 percent per year Provides that market adjustments are to range from 1 to 4 percent per year <p>Section 10 - Mineral royalties distribution</p> <ul style="list-style-type: none"> Creates a new reserve fund for deposits of the county share of federal mineral royalty revenue 	<p>Section 4 - Fiscal Management Division carryover authority</p> <ul style="list-style-type: none"> Same as executive budget recommendation <p>Section 5 - Grants and special items</p> <ul style="list-style-type: none"> Same as executive budget recommendation <p>Section 6 - State student internship program</p> <ul style="list-style-type: none"> Same as executive budget recommendation <p>(Removed in the House version)</p> <p>Section 7 - Compensation package funding transfers</p> <ul style="list-style-type: none"> Same as executive budget recommendation except transfers are not allowed from the accrued leave payments line item <p>Section 8 - Compensation package guidelines</p> <ul style="list-style-type: none"> Provides that performance adjustments are to range from 2 to 4 percent per year Provides that market adjustments are to range from 1 to 2 percent during the first year of the biennium only Provides for no retirement contribution increases <p>Section 9 - Accrued leave payments</p> <ul style="list-style-type: none"> Allows agencies to seek Emergency Commission approval to transfer funds from the agency's accrued leave payments line item to a line item with salaries and wages <p>Section 10 - Mineral royalties distribution</p> <ul style="list-style-type: none"> Same as executive budget recommendation 	<p>Section 6 - Missouri River Correctional Center land use study</p> <ul style="list-style-type: none"> Requires OMB to contract with an external entity for a land use study of the Missouri River Correctional Center site <p>Section 8 - Fiscal Management Division carryover authority</p> <ul style="list-style-type: none"> Same as executive budget recommendation <p>Section 9 - Grants and special items</p> <ul style="list-style-type: none"> Same as executive budget recommendation <p>Section 10 - State student internship program</p> <ul style="list-style-type: none"> Same as executive budget recommendation <p>Section 7 - Temporary employee health insurance pool</p> <ul style="list-style-type: none"> Same as executive budget recommendation <p>Section 11 - Compensation package funding transfers</p> <ul style="list-style-type: none"> Same as the House version <p>Section 12 - Compensation package guidelines</p> <ul style="list-style-type: none"> Provides that performance adjustments are to range from 3 to 5 percent the first year of the biennium and from 2 to 4 percent the second year of the biennium Provides that market adjustments are to range from 1 to 2 percent during each year of the biennium Provides for 1 percent employee and 1 percent employer retirement contribution increases in January 2014 only <p>Section 13 - Accrued leave payments</p> <ul style="list-style-type: none"> Same as the House version except the accrued leave payments line item is designated as a pilot project for the 2013-15 biennium <p>Section 14 - Mineral royalties distribution</p> <ul style="list-style-type: none"> Same as executive budget recommendation

April 26, 2013

#1

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1015

That the Senate recede from its amendments as printed on pages 1760-1766 of the House Journal and pages 1660-1666 of the Senate Journal and that Engrossed House Bill No. 1015 be amended as follows:

Page 1, line 5, after "section" insert "14-03.2-05 as created by section 1 of House Bill No. 1128, as approved by the sixty-third legislative assembly, and section"

Page 1, line 5, after "to" insert "marital agreement requirements and to"

Page 4, after line 31, insert:

"SECTION 10. AMENDMENT. Section 14-03.2-05 of the North Dakota Century Code as created by section 1 of House Bill No. 1128, as approved by the sixty-third legislative assembly, is amended and reenacted as follows:

14-04.3-05. Formation requirements.

A premarital agreement or marital agreement must be in a record and signed by both parties. The agreement is enforceable without consideration. ~~A marital agreement created pursuant to this chapter must be signed within the first one hundred twenty days of the marriage.~~

Page 7, line 20, replace "11" with "12"

Renumber accordingly

April 26, 2013

#2

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1015

Page 7, after line 19, insert:

"SECTION 15. LEGISLATIVE MANAGEMENT STUDY - FOUNDATION AID STABILIZATION FUND. The legislative management shall consider studying, during the 2013-14 interim, the foundation aid stabilization fund, including anticipated growth in the fund, appropriate funding levels, options for the disposition of excess funding if appropriate funding levels are exceeded, the reallocation of oil extraction taxes currently being deposited in the fund, and the feasibility and desirability of proposing changes to the constitution relating to the foundation aid stabilization fund. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly."

Renumber accordingly

#3

13.8144.04024
Title.

Prepared by the Legislative Council staff for
Senator Sitte

April 22, 2013

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1015

Page 1, line 6, after the first semicolon insert "to repeal section 2 of Senate Bill No. 2152, as approved by the sixty-third legislative assembly, relating to fees charged by the secretary of state;"

Page 6, after line 20, insert:

"SECTION 12. REPEAL. Section 2 of Senate Bill No. 2152, as approved by the sixty-third legislative assembly, is repealed."

Renumber accordingly

13.8144.04039
Title.

Prepared by the Legislative Council staff for
Senator Lyson

May 1, 2013

#4

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1015

That the House recede from its amendments as printed on pages 1659-1666 of the Senate Journal and pages 1760-1766 of the House Journal and that Engrossed Senate Bill No. 1015 be amended as follows:

Page 1, line 6, after the first semicolon insert "to repeal section 6 of Senate Bill No. 2015, as approved by the sixty-third legislative assembly, relating to refusal of admission of inmates;"

Page 7, after line 19, insert:

"SECTION 15. REPEAL. Section 6 of Senate Bill No. 2015, as approved by the sixty-third legislative assembly, is repealed."

Renumber accordingly

May 2, 2013

#5

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1015

That the Senate recede from its amendments as printed on pages 1760-1766 of the House Journal and pages 1605-1610 of the Senate Journal and that Engrossed House Bill No. 1015 be amended as follows:

Page 1, line 5, after "15.1-27-25" insert ", subsection 1 of section 23-35-07, and subsection 4 of section 23-35-08"

Page 1, line 6, after "royalties" insert "and health district budgets"

Page 6, after line 8, insert:

"SECTION 11. AMENDMENT. Subsection 1 of section 23-35-07 of the North Dakota Century Code is amended and reenacted as follows:

1. A district board of health shall prepare a budget for the next fiscal year at the time at which and in the manner in which a county budget is adopted and shall submit this budget to the joint board of county commissioners for approval. The amount budgeted and approved must be prorated in health districts composed of more than one county among the various counties in the health district according to the taxable valuation of the respective counties in the health district. For the purpose of this section, "prorated" means that each member county's contribution must be based on an equalized mill levy throughout the district, except as otherwise permitted under subsection 3 of section 23-35-05. Within ten days after approval by the joint board of county commissioners, the district board of health shall certify the budget to the respective county auditors and the budget must be included in the levies of the counties. The budget, not including gifts, grants, donations, and contributions, may not exceed the amount that can be raised by a levy of five mills on the taxable valuation, subject to public hearing in each county in the health district at least fifteen days before an action taken by the joint board of county commissioners. Action taken by the joint board of county commissioners must be based on the record, including comments received at the public hearing. A levy under this section is not subject to the limitation on the county tax levy for general and special county purposes. The amount derived by a levy under this section must be placed in the health district fund. The health district fund must be deposited with and disbursed by the treasurer of the district board of health. Each county in a health district quarterly shall remit and make settlements with the treasurer. Any funds remaining in the fund at the end of any fiscal year may be carried over to the next fiscal year.

SECTION 12. AMENDMENT. Subsection 4 of section 23-35-08 of the North Dakota Century Code is amended and reenacted as follows:

4. May accept and ~~receive~~ expend any gift, grant, donation, or other contribution offered to aid in the work of the board of health or public health unit."

Page 7, line 20, replace "11" with "13"

Renumber accordingly

May 2, 2013

#6

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1015

That the Senate recede from its amendments as printed on pages 1760-1766 of the House Journal and pages 1605-1610 of the Senate Journal and that Engrossed House Bill No. 1015 be amended as follows:

Page 1, line 5, replace "section" with "sections"

Page 1, line 5, after "15.1-27-25" insert "and 57-51.2-02"

Page 1, line 6, after "royalties" insert "and the state-tribal oil tax agreement"

Page 6, after line 20, insert:

"SECTION 12. AMENDMENT. Section 57-51.2-02 of the North Dakota Century Code is amended and reenacted as follows:

57-51.2-02. Agreement requirements.

An agreement under this chapter is subject to the following:

1. The only taxes subject to agreement are the state's oil and gas gross production and oil extraction taxes attributable to production from wells located within the exterior boundaries of the Fort Berthold Reservation.
2. The state's oil and gas gross production tax under chapter 57-51 and oil extraction tax under chapter 57-51.1 must apply to all wells located within the Fort Berthold Reservation.
3. The state's oil extraction tax under chapter 57-51.1 as applied to oil and gas production ~~attributable to trust lands~~ on the Fort Berthold Reservation may not exceed six and one-half percent but may be reduced through negotiation between the governor and the Three Affiliated Tribes.
4. Any exemptions for oil and gas production from trust lands under chapters 57-51 and 57-51.1 do not apply to production within the boundaries of the Fort Berthold Reservation except as otherwise provided in the agreement.
5. The allocation of revenue from oil and gas production taxes on the Fort Berthold Reservation must be as follows:
 - a. Production attributable to trust lands. All revenues and exemptions from all oil and gas gross production and oil extraction taxes attributable to production from trust lands on the Fort Berthold Reservation must be evenly divided between the tribe and the state.
 - b. All other production. ~~The tribe must receive twenty percent of the total oil and gas gross production taxes collected from all production~~ All revenues and exemptions from all oil and gas gross production and oil extraction taxes attributable to production from nontrust lands on the Fort Berthold Reservation must be evenly divided between the tribe and the state in lieu of the application of the Three Affiliated Tribes'

fees and taxes related to production on such lands. ~~The state must receive the remainder.~~

- c. The state's share of the revenue as divided in subdivisions a and b is subject to distribution among political subdivisions as provided in chapters 57-51 and 57-51.1.
6. An oil or gas well that is drilled and completed during the time of an agreement under this chapter must be subject to the terms of the agreement for the life of the well.
7. The Three Affiliated Tribes must agree not to impose a tribal tax or any fee on future production of oil and gas on the Fort Berthold Reservation during the term of the agreement.
8. To address situations in which the tax commissioner refunds taxes to a taxpayer, the agreement must allow the tax commissioner to offset future distributions to the tribe.
9. The tax commissioner must retain authority to administer and enforce chapters 57-51 and 57-51.1 as applied to wells subject to any agreement authorized by this chapter.
10. An oil or gas well that is drilled and completed during the time an agreement under this chapter is in effect is subject to state regulatory provisions for the life of the well in addition to any other applicable regulatory provisions.
11. The federal district court for the western division of North Dakota is the venue for any dispute arising from a revenue-sharing agreement between the state and the Three Affiliated Tribes.
12. The agreement must require that the Three Affiliated Tribes report annually to the budget section of the legislative management and that the report, at a minimum, informs the budget section of tribal investments in road improvements and fees, expenses, and charges the tribe imposes on the oil industry."

Renumber accordingly

13.8144.04033
Title.

Prepared by the Legislative Council staff for
Representative Porter
April 29, 2013

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1015

That the Senate recede from its amendments as printed on pages 1760-1766 of the House Journal and pages 1605-1610 of the Senate Journal and that Engrossed House Bill No. 1015 be amended as follows:

Page 1, line 5, after "Code" insert "and section 5 of House Bill No. 1020, as approved by the sixty-third legislative assembly"

Page 1, line 6, after "royalties" insert "and loans to the western area water supply authority"

Page 6, after line 20, insert:

"SECTION 12. AMENDMENT. Section 5 of House Bill No. 1020, as approved by the sixty-third legislative assembly, is amended and reenacted as follows:

SECTION 5. BANK OF NORTH DAKOTA LOAN - WESTERN AREA WATER SUPPLY AUTHORITY. The Bank of North Dakota shall provide a loan of \$40,000,000 to the western area water supply authority for construction of the project. ~~The terms and conditions of the loan must be negotiated by the western area water supply authority and the Bank of North Dakota and any previous loans may be added to and merged into this loan~~previous loans as agreed by the ~~authority~~industrial commission and the Bank of North Dakota. ~~The authority may repay the loan from income from specific project features. If the authority is in default in the payment of the principal or or interest on the obligation to the Bank of North Dakota for the loan, the authority is subject to the default provisions under section 61-40-09."~~

Renumber accordingly

April 30, 2013

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1015

That the Senate recede from its amendments as printed on pages 1760-1766 of the House Journal and pages 1605-1610 of the Senate Journal and that Engrossed House Bill No. 1015 be amended as follows:

Page 1, line 5, after "Code" insert "and subdivision e of subsection 1 of section 62.1-04-03 of the North Dakota Century Code as amended by House Bill No. 1327, as approved by the sixty-third legislative assembly"

Page 1, line 6, after "royalties" insert "and concealed weapons permits"

Page 6, after line 20, insert:

"SECTION 12. AMENDMENT. Subdivision e of subsection 1 of section 62.1-04-03 of the North Dakota Century Code as amended by House Bill No. 1327, as approved by the sixty-third legislative assembly, is amended and reenacted as follows:

- e. The applicant satisfactorily completes the bureau of criminal investigation application form and has successfully passed the criminal history records check conducted by the bureau of criminal investigation and the federal bureau of investigation. The applicant shall provide all documentation relating to any court-ordered treatment or commitment for mental health or alcohol or substance abuse. The applicant shall provide the director of the bureau of criminal investigation written authorizations for disclosure of the applicant's mental health and alcohol or substance abuse evaluation and treatment records. The bureau may deny approval for a ~~class 1 firearm~~ license if the bureau has reasonable cause to believe that the applicant or licenseholder has been or is a danger to self or others as demonstrated by evidence, including past pattern of behavior involving unlawful violence or threats of unlawful violence; past participation in incidents involving unlawful violence or threats of unlawful violence; or conviction of a weapons offense. In determining whether the applicant or licenseholder has been or is a danger to self or others, the bureau may inspect expunged records of arrests and convictions of adults and juvenile court records; and"

Renumber accordingly

#9

13.8144.04027
Title.

Prepared by the Legislative Council staff for
Representative Carlson
April 25, 2013

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1015

That the Senate recede from its amendments as printed on pages 1760-1766 of the House Journal and pages 1660-1666 of the Senate Journal and that Engrossed House Bill No. 1015 be amended as follows:

Page 1, line 6, after the first semicolon insert "to provide an exemption from procurement requirements;"

Page 6, after line 20, insert:

"SECTION 12. PROCUREMENT REQUIREMENTS - DEPARTMENT OF TRANSPORTATION AIRPLANE REPLACEMENT. The purchase of airplanes by the department of transportation under the authorization granted in section 5 of House Bill No. 1033 is exempt from the procurement provisions of chapter 54-44.4 and any rules or policies adopted pursuant to that chapter."

Renumber accordingly

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1015

That the Senate recede from its amendments as printed on page _____ of the House Journal and page _____ of the Senate Journal and that Engrossed House Bill No. 1015 be amended as follows:

Page 1, line 5, replace "section" with "sections"

Page 1, line 5, after "15.1-27-25" insert "and 54-27.2-01"

Page 1, line 6, after "royalties" insert "and the budget stabilization fund"

Page 6, after line 20, insert:

"SECTION 12. AMENDMENT. Section 54-27.2-01 of the North Dakota Century Code is amended and reenacted as follows:

54-27.2-01. Budget stabilization fund.

The budget stabilization fund is a special fund in the state treasury. The state investment board shall supervise investment of the budget stabilization fund in accordance with chapter 21-10. Any interest or other budget stabilization fund earnings must be deposited in the fund. Any amounts provided by law for deposit in the fund and any interest or earnings of the fund which would bring the balance in the fund to an amount greater than ~~ninse~~seven and one-half percent of the current biennial state general fund budget, as finally approved by the most recently adjourned special or regular session of the legislative assembly, may not be deposited or retained in the fund but must be deposited instead in the state general fund."

Renumber accordingly

13.8144.04015
Title.

Prepared by the Legislative Council staff for
Representative Glassheim
April 18, 2013

#11

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1015

That the Senate recede from its amendments as printed on page _____ of the House Journal and page _____ of the Senate Journal and that Engrossed House Bill No. 1015 be amended as follows:

Page 1, line 7, after the semicolon insert "to provide an exception to general fund transfers to the budget stabilization fund;"

Page 7, after line 19, insert:

"SECTION 15. GENERAL FUND TRANSFERS TO BUDGET STABILIZATION FUND - EXCEPTION. Notwithstanding section 54-27.2-02, the state treasurer and the office of management and budget may not include any general fund appropriations provided in Senate Bill No. 2176, as approved by the sixty-third legislative assembly, and in section 3 of this Act, in the amount used to determine general fund transfers to the budget stabilization fund at the end of the 2011-13 biennium under chapter 54-27.2."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment provides that general fund appropriations included in Senate Bill No. 2176 and the general fund transfer to the property tax relief sustainability fund in this bill not be included in the calculation used to determine general fund transfers to the budget stabilization fund at the end of the 2011-13 biennium.

13.8144.04023
Title.

Prepared by the Legislative Council staff for
Senator O'Connell
April 22, 2013

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1015

That the Senate recede from its amendments as printed on pages _____ of the House Journal and pages _____ of the Senate Journal and that Engrossed House Bill No. 1015 be amended as follows:

Page 1, line 2, after "budget" insert "; to provide an appropriation to Dakota college at Bottineau"

Page 2, after line 31, insert:

"SECTION 4. APPROPRIATION - DAKOTA COLLEGE AT BOTTINEAU. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$3,290,506, or so much of the sum as may be necessary, to Dakota college at Bottineau for the purpose of renovating campus buildings as provided in this section, for the biennium beginning July 1, 2013, and ending June 30, 2015. The funding provided in this section may be used for campus building renovation projects in the amounts as follows:

Mead hall	\$1,177,929
Milligan hall	898,083
Gross hall and student center	<u>1,214,494</u>
Total	\$3,290,506

The funding provided under this section is considered one-time funding. Dakota college at Bottineau shall report to the appropriations committees of the sixty-fourth legislative assembly regarding the use of funding provided under this section."

Page 3, line 18, replace "8" with "9"

Page 7, line 20, replace "11" with "12"

Renumber accordingly

#13

13.8144.04038
Title.

Prepared by the Legislative Council staff for
Senator Schneider

May 1, 2013

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1015

That the Senate recede from its amendments as printed on pages 1760-1766 of the House Journal and pages 1605-1610 of the Senate Journal and that Engrossed House Bill No. 1015 be amended as follows:

Page 1, line 7, after the second semicolon insert "to provide an appropriation for military caskets;"

Page 2, after line 31, insert:

"SECTION 4. APPROPRIATION - VETERANS' MILITARY CASKETS. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$50,000, or so much of the sum as may be necessary, to the commissioner of veterans' affairs for the purpose of providing a military casket to a veteran who would otherwise be provided a welfare casket and who is interred in this state, at no cost to the veteran, for the biennium beginning July 1, 2013, and ending June 30, 2015."

Page 7, line 20, replace "11" with "12"

Renumber accordingly



13.8144.04032
Title.

1
Job # 21672
5/2/13

Prepared by the Legislative Council staff for
Senator Warner

April 30, 2013

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1015

Page 1, line 5, replace ", relating to" with "and sections 39-03.1-09, 39-03.1-10, 54-52-02.9, 54-52-05, 54-52-06, 54-52-06.1, 54-52-06.2, and 54-52-06.3, subsection 6 of section 54-52.6-02, and section 54-52.6-09 of the North Dakota Century Code as amended by House Bill No. 1452, as approved by the sixty-third legislative assembly, relating to increased employer and employee contributions under the highway patrolmen's retirement plan and public employees retirement system and"

Page 1, line 6, after the first semicolon insert "to provide an appropriation;"

Page 1, line 7, remove "and"

Page 1, line 8, after "date" insert "; and to provide a contingent effective date."

Page 6, after line 8, insert:

"SECTION 11. AMENDMENT. Section 39-03.1-09 of the North Dakota Century Code as amended by House Bill No. 1452, as approved by the sixty-third legislative assembly, is amended and reenacted as follows:

39-03.1-09. Payments by contributors - Employer payment of employee contribution.

1. Every member, except as provided in section 39-03.1-07, shall contribute into the fund ten and thirty-hundredths percent of the member's monthly salary, which sum must be deducted from the member's salary and credited to the member's account in the fund. Member contributions increase by one percent of the member's monthly salary beginning with the monthly reporting period of January 2012, ~~with an additional and~~ increase ~~of annually by~~ one percent, beginning with the monthly reporting period of January 2013, ~~and with an additional increase of one percent, beginning with the monthly reporting period of January 2014, and January 2015.~~
2. The state of North Dakota, at its option, may pay the member contributions required by subsection 1 for all compensation earned after June 30, 1983, and may pay the member contributions required to purchase service credit on a pretax basis pursuant to subsection 8 of section 39-03.1-08.2. The amount paid must be paid by the state in lieu of contributions by the member. A member may not receive the contributed amounts directly once the employer has elected to pay the member contributions. If the state decides not to pay the contributions, the amount that would have been paid will continue to be deducted from compensation. If contributions are paid by the state, they must be treated as employer contributions in determining tax treatment under this code and the federal Internal Revenue Code. If contributions are paid by the state, they must not be included as gross income of the member in determining tax treatment under this code and the Internal Revenue Code until they are distributed or made available. The state shall pay these member contributions from the same source of funds used in paying compensation to the members. The state shall pay these contributions by effecting an equal cash reduction in

the gross salary of the employee or by an offset against future salary increases or by a combination of a reduction in gross salary and offset against future salary increases. If member contributions are paid by the state, they must be treated for the purposes of this chapter in the same manner and to the same extent as member contributions made prior to the date the contributions were assumed by the state. The option given employers by this subsection must be exercised in accordance with rules adopted by the board.

3. For compensation earned after August 1, 2009, all employee contributions required under subsection 1, and not otherwise paid under subsection 2, must be paid by the state in lieu of contributions by the member. All contributions paid by the state under this subsection must be treated as employer contributions in determining tax treatment under this code and the federal Internal Revenue Code. Contributions paid by the state under this subsection may not be included as gross income of the member in determining tax treatment under this code and the Internal Revenue Code until the contributions are distributed or made available. Contributions paid by the state in accordance with this subsection must be treated for the purposes of this chapter in the same manner and to the same extent as member contributions made before the date the contributions were assumed by the state. The state shall pay these member contributions from the same source of funds used in paying compensation to the members. The state shall pay these contributions by effecting an equal cash reduction in the gross salary of the employee. The state shall continue making payments under this section unless otherwise specifically provided for under the agency's biennial appropriation or by law.

SECTION 12. AMENDMENT. Section 39-03.1-10 of the North Dakota Century Code as amended by House Bill No. 1452, as approved by the sixty-third legislative assembly, is amended and reenacted as follows:

39-03.1-10. Contributions by the state.

The state shall contribute to the fund a sum equal to sixteen and seventy-hundredths percent of the monthly salary or wage of a participating member. State contributions increase by one percent of the monthly salary or wage of a participating member beginning with the monthly reporting period of January 2012, and ~~with an additional increase of~~ annually by one percent, ~~beginning~~ with the reporting period of January 2013, ~~and with an additional increase of one percent, beginning with the monthly reporting period of January 2014, and January 2015.~~ If the member's contribution is paid by the state under subsection 2 of section 39-03.1-09, the state shall contribute, in addition, an amount equal to the required member's contribution. The state shall pay the associated employer contribution for those members who elect to exercise their rights under subsection 3 of section 39-03.1-10.1."

Page 6, after line 20, insert:

"SECTION 14. AMENDMENT. Section 54-52-02.9 of the North Dakota Century Code as amended by House Bill No. 1452, as approved by the sixty-third legislative assembly, is amended and reenacted as follows:

54-52-02.9. Participation by temporary employees.

A temporary employee may elect, within one hundred eighty days of beginning employment, to participate in the public employees retirement system and receive credit for service after enrollment. The temporary employee shall pay monthly to the fund an amount equal to eight and twelve-hundredths percent times the temporary employee's present monthly salary. The amount required to be paid by a temporary employee increases by two percent times the temporary employee's present monthly salary beginning with the monthly reporting period of January 2012, and ~~with an additional increase annually by~~ two percent increase, beginning with the reporting period of January 2013, ~~and with an additional increase of two percent, beginning with the monthly reporting period of January 2014, and January 2015.~~ The temporary employee shall also pay the required monthly contribution to the retiree health benefit fund established under section 54-52.1-03.2. This contribution must be recorded as a member contribution pursuant to section 54-52.1-03.2. An employer may not pay the temporary employee's contributions. A temporary employee may continue to participate as a temporary employee in the public employees retirement system until termination of employment or reclassification of the temporary employee as a permanent employee. A temporary employee may not purchase any additional credit, including additional credit under section 54-52-17.4 or past service under section 54-52-02.6.

SECTION 15. AMENDMENT. Section 54-52-05 of the North Dakota Century Code as amended by House Bill No. 1452, as approved by the sixty-third legislative assembly, is amended and reenacted as follows:

54-52-05. Membership and assessments - Employer payment of employee contributions.

1. Every eligible governmental unit employee concurring in the plan must so state in writing and all future eligible employees are participating members. An employee who was not enrolled in the retirement system when eligible to participate must be enrolled immediately upon notice of the employee's eligibility, unless the employee waives in writing the employee's right to participate for the previous time of eligibility, to avoid contributing to the fund for past service. An employee who is eligible for normal retirement who accepts a retirement benefit under this chapter and who subsequently becomes employed with a participating employer other than the employer with which the employee was employed at the time the employee retired under this chapter may, before reenrolling in the retirement plan, elect to permanently waive future participation in the retirement plan and the retiree health program and maintain that employee's retirement status. An employee making this election is not required to make any future employee contributions to the public employees retirement system nor is the employee's employer required to make any further contributions on behalf of that employee.
2. Each member must be assessed and required to pay monthly four percent of the monthly salary or wage paid to the member, and such assessment must be deducted and retained out of such salary in equal monthly installments commencing with the first month of employment. Member contributions increase by one percent of the monthly salary or wage paid to the member beginning with the monthly reporting period of January 2012, and ~~with an additional increase of~~ annually by one percent, ~~beginning~~ with the monthly reporting period of January 2013, ~~and with an~~

~~additional increase of one percent, beginning with the monthly reporting period of January 2014, and January 2015.~~

3. Each employer, at its option, may pay all or a portion of the employee contributions required by subsection 2 and sections 54-52-06.1, 54-52-06.2, 54-52-06.3, and 54-52-06.4 or the employee contributions required to purchase service credit on a pretax basis pursuant to subsection 5 of section 54-52-17.4. Employees may not receive the contributed amounts directly once the employer has elected to pay the employee contributions. The amount paid must be paid by the employer in lieu of contributions by the employee. If the state determines not to pay the contributions, the amount that would have been paid must continue to be deducted from the employee's compensation. If contributions are paid by the employer, they must be treated as employer contributions in determining tax treatment under this code and the federal Internal Revenue Code. If contributions are paid by the employer, they may not be included as gross income of the employee in determining tax treatment under this code and the Internal Revenue Code until they are distributed or made available. The employer shall pay these employee contributions from the same source of funds used in paying compensation to the employee or from the levy authorized by subsection 5 of section 57-15-28.1. The employer shall pay these contributions by effecting an equal cash reduction in the gross salary of the employee or by an offset against future salary increases or by a contribution of a reduction in gross salary and offset against future salary increases. If employee contributions are paid by the employer, they must be treated for the purposes of this chapter in the same manner and to the same extent as employee contributions made prior to the date on which employee contributions were assumed by the employer. An employer exercising its option under this subsection shall report its choice to the board in writing.
4. For compensation earned after August 1, 2009, all employee contributions required under section 54-52-06.1 and the job service North Dakota retirement plan, and not otherwise paid under subsection 3, must be paid by the employer in lieu of contributions by the member. All contributions paid by the employer under this subsection must be treated as employer contributions in determining tax treatment under this code and the Internal Revenue Code. Contributions paid by the employer under this subsection may not be included as gross income of the member in determining tax treatment under this code and the Internal Revenue Code until the contributions are distributed or made available. Contributions paid by the employer in accordance with this subsection must be treated for the purposes of this chapter in the same manner and to the same extent as member contributions made before the date the contributions were assumed by the employer. The employer shall pay these member contributions from the same source of funds used in paying compensation to the employee. The employer shall pay these contributions by effecting an equal cash reduction in the gross salary of the employee. The employer shall continue making payments under this section unless otherwise specifically provided for under the agency's biennial appropriation or by amendment to law.

SECTION 16. AMENDMENT. Section 54-52-06 of the North Dakota Century Code as amended by House Bill No. 1452, as approved by the sixty-third legislative assembly, is amended and reenacted as follows:

54-52-06. Employer's contribution to retirement plan.

Each governmental unit shall contribute an amount equal to four and twelve-hundredths percent of the monthly salary or wage of a participating member. Governmental unit contributions increase by one percent of the monthly salary or wage of a participating member beginning with the monthly reporting period of January 2012, and ~~with an additional increase of annually by one percent, beginning with the reporting period of January 2013, and with an additional increase of one percent, beginning with the monthly reporting period of January 2014, and January 2015.~~ For those members who elect to exercise their rights under section 54-52-17.14, the employing governmental unit, or in the case of a member not presently under covered employment the most recent employing governmental unit, shall pay the associated employer contribution. If the employee's contribution is paid by the governmental unit under subsection 3 of section 54-52-05, the employer unit shall contribute, in addition, an amount equal to the required employee's contribution. Each governmental unit shall pay the contribution monthly, or in the case of an election made pursuant to section 54-52-17.14 a lump sum, into the retirement fund from its funds appropriated for payroll and salary or any other funds available for these purposes. Any governmental unit failing to pay the contributions monthly, or in the case of an election made pursuant to section 54-52-17.14 a lump sum, is subject to a civil penalty of fifty dollars and, as interest, one percent of the amount due for each month of delay or fraction thereof after the payment became due. In lieu of assessing a civil penalty or one percent per month, or both, interest at the actuarial rate of return may be assessed for each month the contributions are delinquent. If contributions are paid within ninety days of the date they became due, penalty and interest to be paid on delinquent contributions may be waived. An employer is required to submit contributions for any past eligible employee who was employed after July 1, 1977, for which contributions were not made if the employee would have been eligible to become vested had the employee participated and if the employee elects to join the public employees retirement system. Employer contributions may not be assessed for eligible service that an employee has waived pursuant to subsection 1 of section 54-52-05. The board shall report to each session of the legislative assembly the contributions necessary, as determined by the actuarial study, to maintain the fund's actuarial soundness.

SECTION 17. AMENDMENT. Section 54-52-06.1 of the North Dakota Century Code as amended by House Bill No. 1452, as approved by the sixty-third legislative assembly, is amended and reenacted as follows:

54-52-06.1. Contribution by supreme and district court judges - Employer contribution.

Each judge of the supreme or district court who is a member of the public employees retirement system must be assessed and required to pay monthly five percent of the judge's monthly salary. Member contributions increase by one percent of the judge's monthly salary beginning with the monthly reporting period of January 2012, and ~~with an additional increase of annually by one percent, beginning with the reporting period of January 2013, and with an additional increase of one percent, beginning with the monthly reporting period of January 2014, and January 2015.~~ The assessment must be deducted and retained out of the judge's salary in equal monthly installments. The state shall contribute an amount equal to fourteen and

fifty-two one-hundredths percent of the monthly salary of a supreme or district court judge who is a participating member of the system, which matching contribution must be paid from its funds appropriated for salary, or from any other funds available for such purposes. State contributions increase by one percent of the monthly salary of a supreme or district court judge who is a participating member of the system beginning with the monthly reporting period of January 2012, and ~~with an additional increase of annually by~~ one percent, ~~beginning~~ with the monthly reporting period of January 2013, and ~~with an additional increase of one percent, beginning with the monthly reporting period of~~ January 2014, and January 2015. If the judge's contribution is paid by the state under subsection 3 of section 54-52-05, the state shall contribute, in addition, an amount equal to the required judge's contribution.

SECTION 18. AMENDMENT. Section 54-52-06.2 of the North Dakota Century Code as amended by House Bill No. 1452, as approved by the sixty-third legislative assembly, is amended and reenacted as follows:

54-52-06.2. Contribution by national guard security officers or firefighters - Employer contribution.

Each national guard security officer or firefighter who is a member of the public employees retirement system is assessed and shall pay monthly four percent of the employee's monthly salary. Member contributions increase annually by one-half of one percent of the member's monthly salary beginning with the monthly reporting period of January 2014 and January 2015. The assessment must be deducted and retained out of the employee's salary in equal monthly installments. The national guard security officer's or firefighter's employer shall contribute an amount determined by the board to be actuarially required to support the level of benefits specified in section 54-52-17. The employer's contribution must be paid from funds appropriated for salary or from any other funds available for such purposes. If the security officer's or firefighter's assessment is paid by the employer under subsection 3 of section 54-52-05, the employer shall contribute, in addition, an amount equal to the required national guard security officer's or firefighter's assessment.

SECTION 19. AMENDMENT. Section 54-52-06.3 of the North Dakota Century Code as amended by House Bill No. 1452, as approved by the sixty-third legislative assembly, is amended and reenacted as follows:

54-52-06.3. Contribution by peace officers and correctional officers employed by political subdivisions - Employer contribution.

Each peace officer or correctional officer employed by a political subdivision that enters into an agreement with the retirement board on behalf of its peace officers and correctional officers separately from its other employees and who is a member of the public employees retirement system is assessed and shall pay monthly four percent of the employee's monthly salary. Peace officer or correctional officer contributions increase by one-half of one percent of the member's monthly salary beginning with the monthly reporting period of January 2012, and ~~with an additional increase of annually by~~ one-half of one percent, ~~beginning~~ with the monthly reporting period of January 2013, and ~~with an additional increase of one-half of one percent, beginning with the monthly reporting period of~~ January 2014, and January 2015. The assessment must be deducted and retained out of the employee's salary in equal monthly installments. The peace officer's or correctional officer's employer shall contribute an amount determined by the board to be actuarially required to support the level of benefits specified in section 54-52-17. If the peace officer's or correctional

officer's assessment is paid by the employer under subsection 3 of section 54-52-05, the employer shall contribute, in addition, an amount equal to the required peace officer's or correctional officer's assessment.

SECTION 20. AMENDMENT. Subsection 6 of section 54-52.6-02 of the North Dakota Century Code as amended by House Bill No. 1452, as approved by the sixty-third legislative assembly, is amended and reenacted as follows:

6. A participating member who becomes a temporary employee may still participate in the defined contribution retirement plan upon filing an election with the board within one hundred eighty days of transferring to temporary employee status. The participating member may not become a member of the defined benefit plan as a temporary employee. The temporary employee electing to participate in the defined contribution retirement plan shall pay monthly to the fund an amount equal to eight and twelve-hundredths percent times the temporary employee's present monthly salary. The amount required to be paid by a temporary employee increases by two percent times the temporary employee's present monthly salary beginning with the monthly reporting period of January 2012, and ~~with an additional increase of~~ increases annually by two percent, beginning with the monthly reporting period of January 2013, ~~and with an additional increase of two percent, beginning with the monthly reporting period of~~ January 2014, and January 2015. The temporary employee shall also pay the required monthly contribution to the retiree health benefit fund established under section 54-52.1-03.2. This contribution must be recorded as a member contribution pursuant to section 54-52.1-03.2. An employer may not pay the temporary employee's contributions. A temporary employee may continue to participate as a temporary employee until termination of employment or reclassification of the temporary employee as a permanent employee.

SECTION 21. AMENDMENT. Section 54-52.6-09 of the North Dakota Century Code as amended by House Bill No. 1452, as approved by the sixty-third legislative assembly, is amended and reenacted as follows:

54-52.6-09. Contributions - Penalty.

1. Each participating member shall contribute monthly four percent of the monthly salary or wage paid to the participant, and this assessment must be deducted from the participant's salary in equal monthly installments commencing with the first month of participation in the defined contribution retirement plan established under this chapter. Participating member contributions increase by one percent of the monthly salary or wage paid to the participant beginning with the monthly reporting period of January 2012, and ~~with an additional increase of~~ annually by one percent, ~~beginning~~ with the reporting period of January 2013, ~~and with an additional increase of one percent, beginning with the monthly reporting period of~~ January 2014, and January 2015.
2. The employer shall contribute an amount equal to four and twelve-hundredths percent of the monthly salary or wage of a participating member. Employer contributions increase by one percent of the monthly salary or wage of a participating member beginning with the monthly reporting period of January 2012, and ~~with an additional increase~~

~~of annually by~~ one percent, ~~beginning~~ with the monthly reporting period of January 2013, ~~and with an additional increase of one percent, beginning with the monthly reporting period of January 2014, and January 2015.~~ If the employee's contribution is paid by the employer under subsection 3, the employer shall contribute, in addition, an amount equal to the required employee's contribution. The employer shall pay monthly such contribution into the participating member's account from its funds appropriated for payroll and salary or any other funds available for such purposes. If the employer fails to pay the contributions monthly, it is subject to a civil penalty of fifty dollars and, as interest, one percent of the amount due for each month of delay or fraction thereof after the payment became due.

3. Each employer, at its option, may pay the employee contributions required by this section for all compensation earned after December 31, 1999. The amount paid must be paid by the employer in lieu of contributions by the employee. If the employer decides not to pay the contributions, the amount that would have been paid will continue to be deducted from the employee's compensation. If contributions are paid by the employer, they must be treated as employer contributions in determining tax treatment under this code and the federal Internal Revenue Code. Contributions paid by the employer may not be included as gross income of the employee in determining tax treatment under this code and the federal Internal Revenue Code until they are distributed or made available. The employer shall pay these employee contributions from the same source of funds used in paying compensation to the employee. The employer shall pay these contributions by effecting an equal cash reduction in the gross salary of the employee or by an offset against future salary increases or by a combination of a reduction in gross salary and offset against future salary increases. Employee contributions paid by the employer must be treated for the purposes of this chapter in the same manner and to the same extent as employee contributions made before the date on which employee contributions were assumed by the employer. An employer shall exercise its option under this subsection by reporting its choice to the board in writing.

SECTION 22. APPROPRIATION - TRANSFER AUTHORITY. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,500,000, or so much of the sum as may be necessary, and \$1,300,000 from special funds, to the office of management and budget for the purpose of making retirement contributions during the second year of the 2013-15 biennium as specified in this Act, for the biennium beginning July 1, 2013, and ending June 30, 2015. The office of management and budget shall transfer to each eligible agency appropriation authority provided under this section."

Page 7, after line 21, insert:

"SECTION 27. CONTINGENT EFFECTIVE DATE. Sections 11, 12, 14, 15, 16, 17, 18, 19, 20, 21, and 22 become effective on July 1, 2013, if the governor certifies to the secretary of state and the legislative council that the actual ending general fund balance on June 30, 2013, was at least \$5,000,000 more than the projected ending general fund balance as determined at the adjournment of the sixty-third legislative assembly."

Renumber accordingly

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1015

Page 1, line 5, after "15.1-27-25" insert "and subsection 2 of section 41-09-87"

Page 1, line 6, after "royalties" insert "and uniform commercial code filings"

Page 1, line 7, after the second semicolon insert "to provide a contingent effective date;"

Page 6, after line 8, insert:

"SECTION 11. AMENDMENT. Subsection 2 of section 41-09-87 of the North Dakota Century Code, as effective after June 30, 2013, is amended and reenacted as follows:

2. Filing does not occur with respect to a record that a filing office refuses to accept because:
 - a. The record is not communicated by a method or medium of communication authorized by the filing office;
 - b. An amount equal to or greater than the applicable filing fee is not tendered;
 - c. The filing office is unable to index the record because:
 - (1) In the case of an initial financing statement, the record does not provide a name for the debtor;
 - (2) In the case of an amendment or information statement, the record:
 - (a) Does not identify the initial financing statement as required by section 41-09-83 or 41-09-89, as applicable; or
 - (b) Identifies an initial financing statement whose effectiveness has lapsed under section 41-09-86;
 - (3) In the case of an initial financing statement that provides the name of a debtor identified as an individual or an amendment that provides a name of a debtor identified as an individual which was not previously provided in the financing statement to which the record relates, the record does not identify the debtor's surname; or
 - (4) In the case of a record filed or recorded in the filing office described in subdivision a of subsection 1 of section 41-09-72, the record does not provide a sufficient description of the real property to which it relates;
 - d. In the case of an initial financing statement or an amendment that adds a secured party of record, the record does not provide a name and mailing address for the secured party of record;

- e. In the case of an initial financing statement or an amendment that provides a name of a debtor which was not previously provided in the financing statement to which the amendment relates, the record does not:
 - (1) Provide a mailing address for the debtor; or
 - (2) Indicate whether the name provided as the name of the debtor is the name of an individual or an organization;
- f. In the case of an assignment reflected in an initial financing statement under subsection 1 of section 41-09-85 or an amendment filed under subsection 2 of section 41-09-85, the record does not provide a name and mailing address for the assignee; ~~or~~
- g. In the case of a continuation statement, the record is not filed within the six-month period prescribed by subsection 4 of section 41-09-86; or
- h. The record does not contain the social security number or the internal revenue service taxpayer identification number of the debtor."

Page 7, after line 19, insert:

"SECTION 16. CONTINGENT EFFECTIVE DATE. Section 11 of this Act becomes effective August 1, 2015, or earlier if the secretary of state makes a report to the legislative management and to the information technology committee certifying that the information technology components of the electronic filing system are ready for implementation of section 11 of this Act, in which case section 11 becomes effective ninety days following the completion of the certificate requirement."

Page 7, line 20, replace "11" with "12"

Renumber accordingly

#3
Job # 21672
May 2, 2013

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1015

That the Senate recede from its amendments as printed on pages 1760-1766 of the House Journal and pages 1659-1666 of the Senate Journal and that Engrossed House Bill No. 1015 be amended as follows:

Page 1, line 5, after "15.1-27-25" insert "and 54-44.1-04"

Page 1, line 6, after "royalties" insert "and agency budget requests"

Page 6, after line 20, insert:

"SECTION 12. AMENDMENT. Section 54-44.1-04 of the North Dakota Century Code is amended and reenacted as follows:

54-44.1-04. (Effective through July 31, 2013) Budget estimates of budget units filed with the office of the budget - Deadline.

The head of each budget unit, not later than July fifteenth of each year next preceding the session of the legislative assembly, shall submit to the office of the budget, estimates of financial requirements of the person's budget unit for the next two fiscal years, on the forms and in the manner prescribed by the office of the budget, with such explanatory data as is required by the office of the budget and such additional data as the head of the budget unit wishes to submit. The budget estimates for the North Dakota university system must include block grants for the university system for a base funding component and for an initiative funding component for specific strategies or initiatives and a budget estimate for an asset funding component for renewal and replacement of physical plant assets at the institutions of higher education. The estimates so submitted must bear the approval of the board or commission of each budget unit for which a board or commission is constituted. The director of the budget in the director's discretion may extend the filing date for any budget unit if the director finds there is some circumstance that makes it advantageous to authorize the extension. If a budget unit has not submitted its estimate of financial requirements by the required date or within a period of extension set by the director of the budget, the director of the budget shall prepare the budget unit's estimate of financial requirements except the estimate may not exceed ninety percent of the budget unit's previous biennial appropriation. The director of the budget or a subordinate officer as the director designates shall examine the estimates and shall afford to the heads of budget units reasonable opportunity for explanation in regard thereto and, when requested, shall grant to the heads of budget units a hearing thereon which must be open to the public.

(Effective after July 31, 2013) Budget estimates of budget units filed with the office of the budget - Deadline. The head of each budget unit, not later than July fifteenth of each year next preceding the session of the legislative assembly, shall submit to the office of the budget, estimates of financial requirements of the person's budget unit for the next two fiscal years, on the forms and in the manner prescribed by the office of the budget, with such explanatory data as is required by the office of the budget and such additional data as the head of the budget unit wishes to submit. The estimates so submitted must bear the approval of the board or commission of each budget unit for which a board or commission is constituted. The director of the budget

may extend the filing date by up to sixty days for any budget unit if the director finds there is some circumstance that makes it advantageous to authorize the extension. If a budget unit has not submitted its estimate of financial requirements by the required date or within a period of extension of up to sixty days set by the director of the budget, the director of the budget shall prepare the budget unit's estimate of financial requirements except the estimate may not exceed ninety percent of the budget unit's previous biennial appropriation. The director of the budget or a subordinate officer as the director shall designate shall examine the estimates and shall afford to the heads of budget units reasonable opportunity for explanation in regard thereto and, when requested, shall grant to the heads of budget units a hearing thereon which must be open to the public."

Renumber accordingly

#4
Job #21672

May 2, 2013

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1015

That the Senate recede from its amendments as printed on pages 1760-1766 of the House Journal and pages 1659-1666 of the Senate Journal and that Engrossed House Bill No. 1015 be amended as follows:

Page 1, line 6, after the third semicolon insert "to provide an appropriation to the department of human services;"

Page 7, after line 19, insert:

"SECTION 15. DEPARTMENT OF HUMAN SERVICES - DEVELOPMENT OF PLAN FOR ADMINISTRATION AND FUNDING OF STATE AND COUNTY SOCIAL SERVICES PROGRAMS. During the 2013-14 interim, the department of human services and county representatives shall develop a plan for the phased restructuring of the administration and funding of all state and county social services programs. The plan must provide for the phased unification of all state and county social services programs into state-administered and state-funded social services programs. The plan must provide for the continuation of local access to social services and local input into the service delivery system. Before September 1, 2014, the department shall present its findings, the proposed plan, and any legislative changes necessary to implement that plan, to the legislative management.

SECTION 16. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$638,697, or so much of the sum as may be necessary, and from special funds, derived from federal funds, the sum of \$361,303, or so much of the sum as may be necessary, to the department of human services for the purpose of defraying the expenses associated with developing a plan for administration and funding of state and county social services programs, for the biennium beginning July 1, 2013, and ending June 30, 2015."

Renumber accordingly

13.8144.04004
Title.

#5
Job #21672
5/2/13

Prepared by the Legislative Council staff for
Representative Maragos
March 26, 2013

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1015

Page 7, after line 19, insert:

"SECTION 15. TRANSFERS - RACING COMMISSION FUNDS. Upon the request of the North Dakota racing commission, the office of management and budget shall transfer up to \$50,000 from the breeders' fund to the purse fund and up to \$50,000 from the breeders' fund to the racing promotion fund during the biennium beginning July 1, 2013, and ending June 30, 2015. Any funds transferred under this section must be used to promote additional horse races in the state during the biennium beginning July 1, 2013, and ending June 30, 2015. Notwithstanding any other provision of law, the office of management and budget shall deposit any funds designated for the purse fund and racing promotion fund under section 53-06.2-11 in the breeders' fund until the deposits equal the transfers made to the purse fund and racing promotion fund as provided under this section."

Renumber accordingly

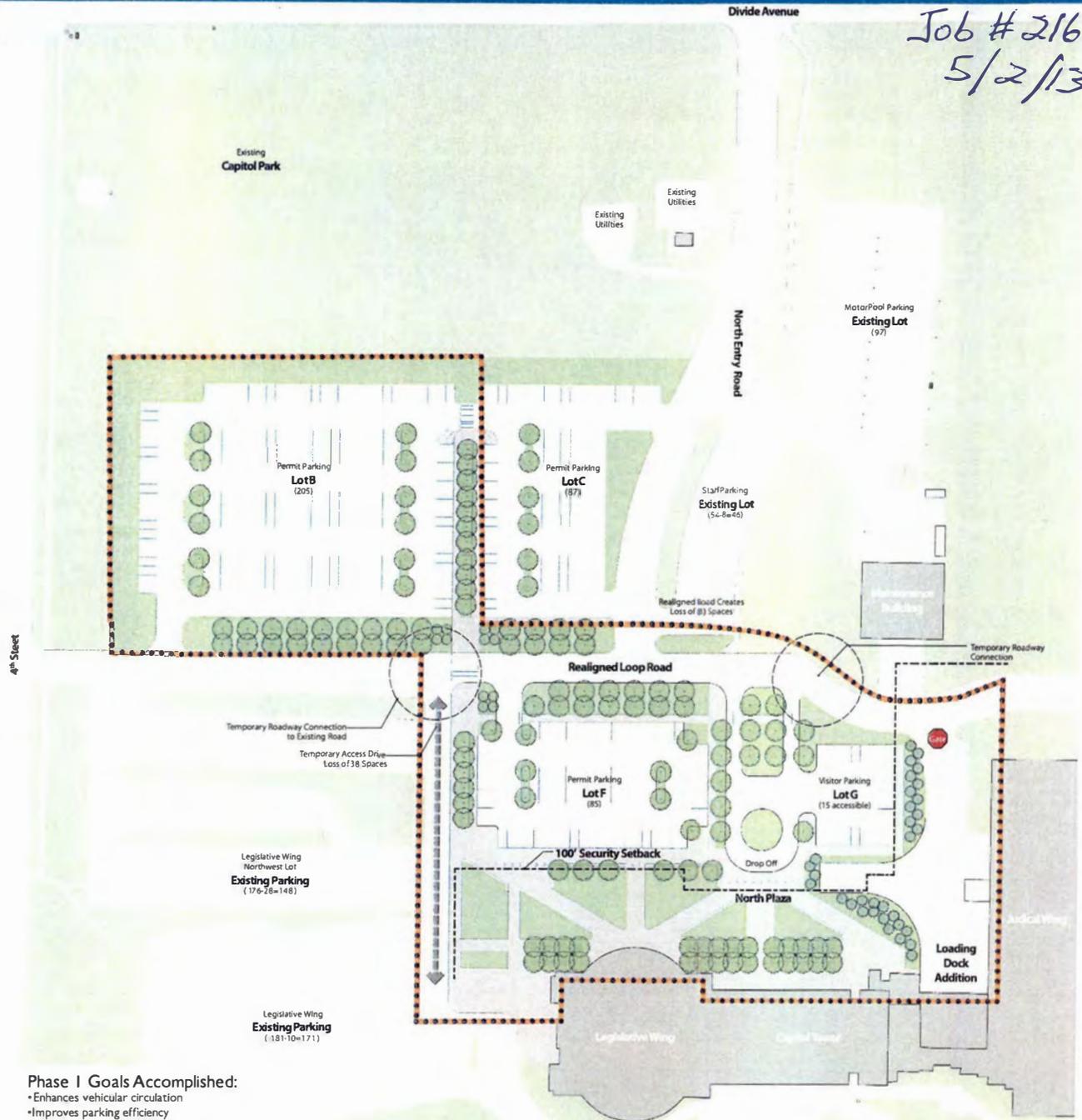
#16

PHASE I DEVELOPMENT CONCEPT

INCLUDED:

- Lot B
- Lot F
- Lot G
- North Plaza
- Loop Road (partial)
- Loading Dock

Job # 21672
5/2/13



- Phase I Goals Accomplished:**
- Enhances vehicular circulation
 - Improves parking efficiency
 - Provides safer pedestrian circulation
 - Accommodates service dock access
 - Expands service dock for added security and storage
 - Simplifies snow removal
 - Reduces operational costs
 - Improves Capitol image
 - Enhances landscaping, lighting, furnishings, and wayfinding
 - Accommodates existing maintenance building
 - Establishes 100' security setback
 - Establishes 'North Plaza' green space around Capitol
 - Increases parking capacity
 - Initiates redevelopment with currently allocated funding

Establishing An Image & Improving Security

March 2013

North Dakota State Capitol

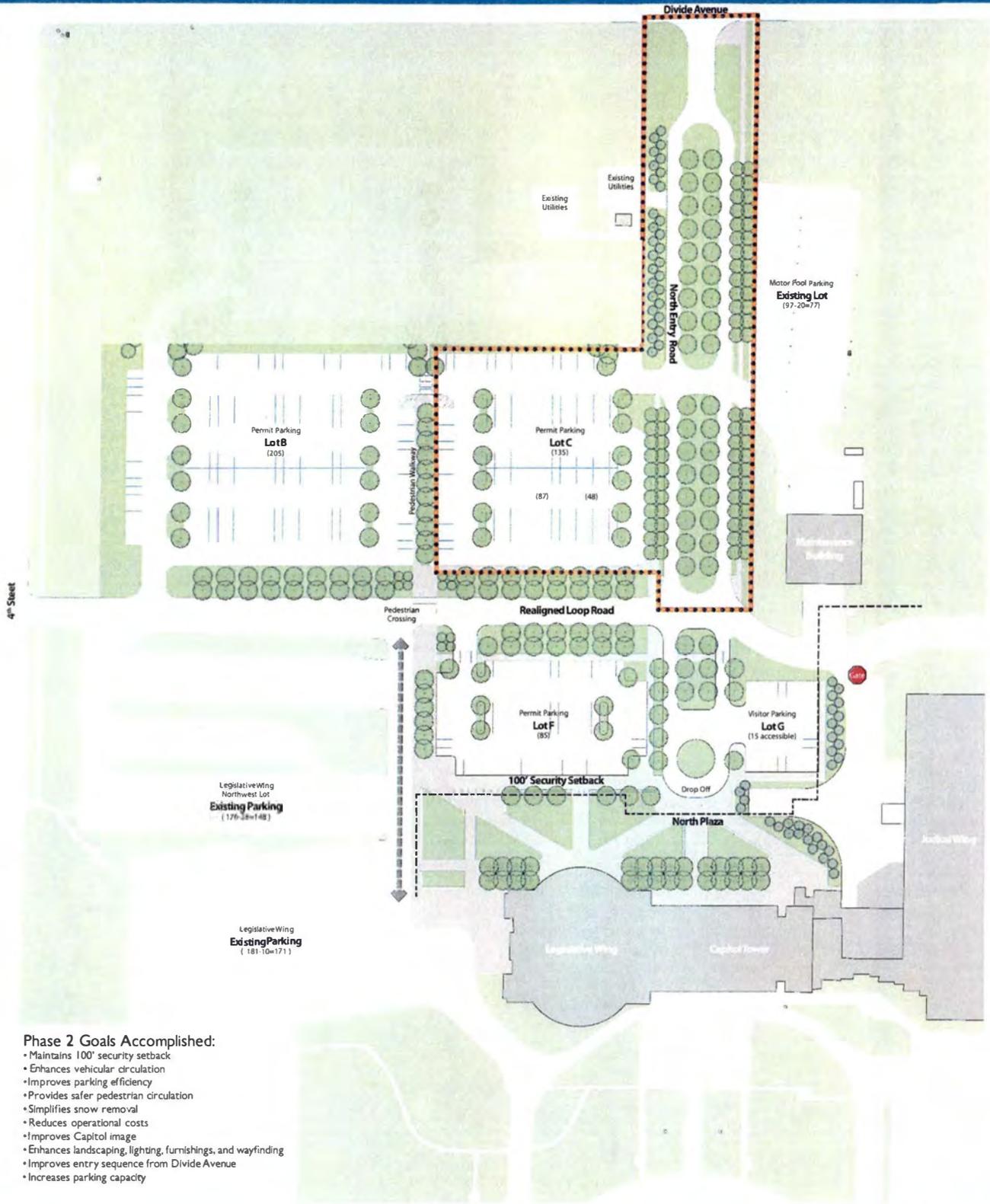
Building Foreground, Entrance Sequence Enhancement, & Parking Replacement



Klin McCarthy Architects + Danson Faber Associates

PHASE 2 DEVELOPMENT CONCEPT

- INCLUDED:
- Lot C (partial)
 - North Entry Road



- Phase 2 Goals Accomplished:**
- Maintains 100' security setback
 - Enhances vehicular circulation
 - Improves parking efficiency
 - Provides safer pedestrian circulation
 - Simplifies snow removal
 - Reduces operational costs
 - Improves Capitol image
 - Enhances landscaping, lighting, furnishings, and wayfinding
 - Improves entry sequence from Divide Avenue
 - Increases parking capacity

Establishing An Image & Improving Security

March 2013

North Dakota State Capitol

Building Foreground, Entrance Sequence Enhancement, & Parking Replacement



Klein, McCarthy Architects - Damon Farber Associates

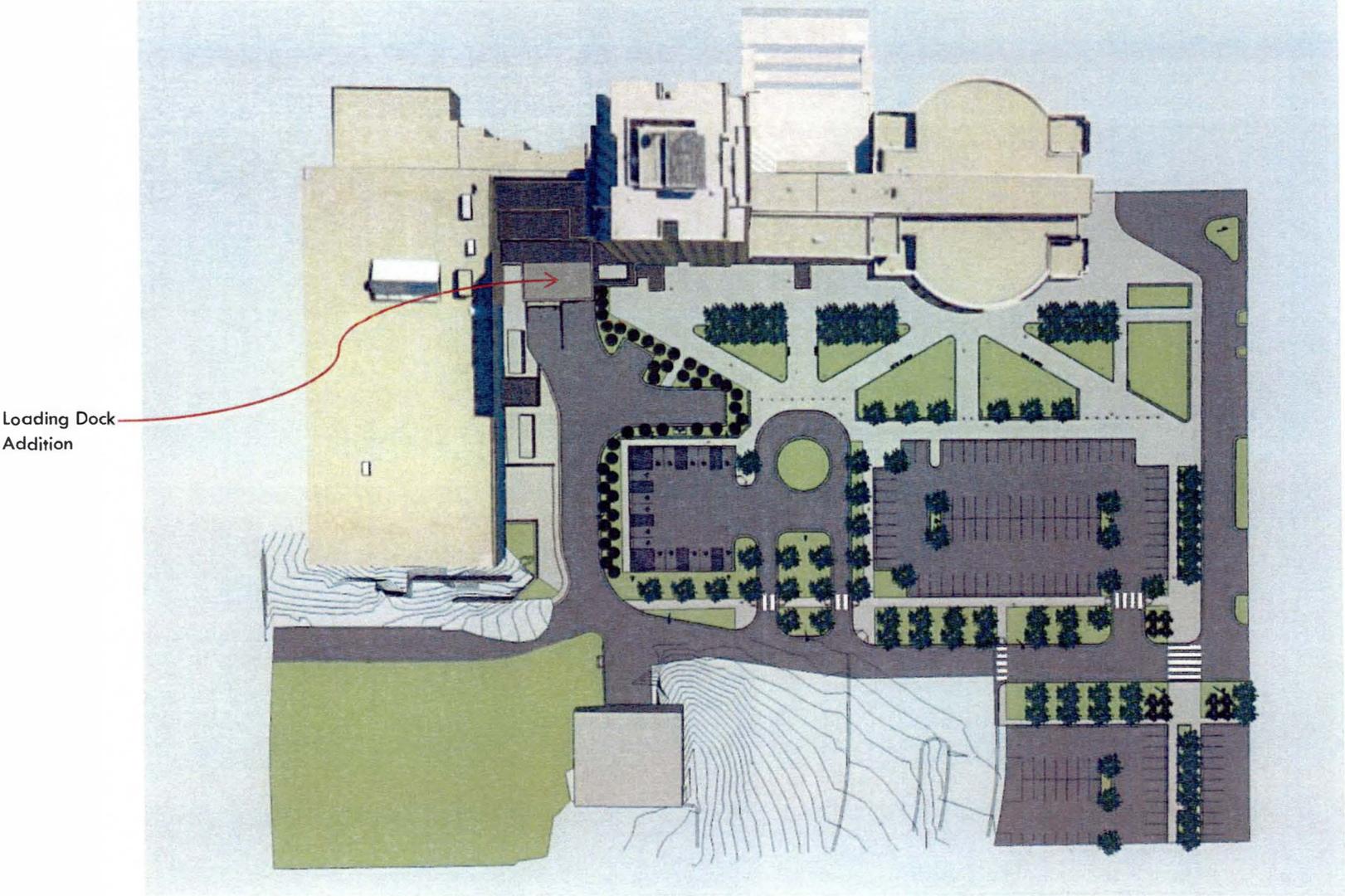


ROUGH RIDER ROOM





DESIGN DEVELOPMENT – IMAGE 1



NORTH DAKOTA STATE CAPITOL

NORTH PARKING SITE ENHANCEMENTS AND LOADING DOCK



DESIGN DEVELOPMENT – IMAGE 2

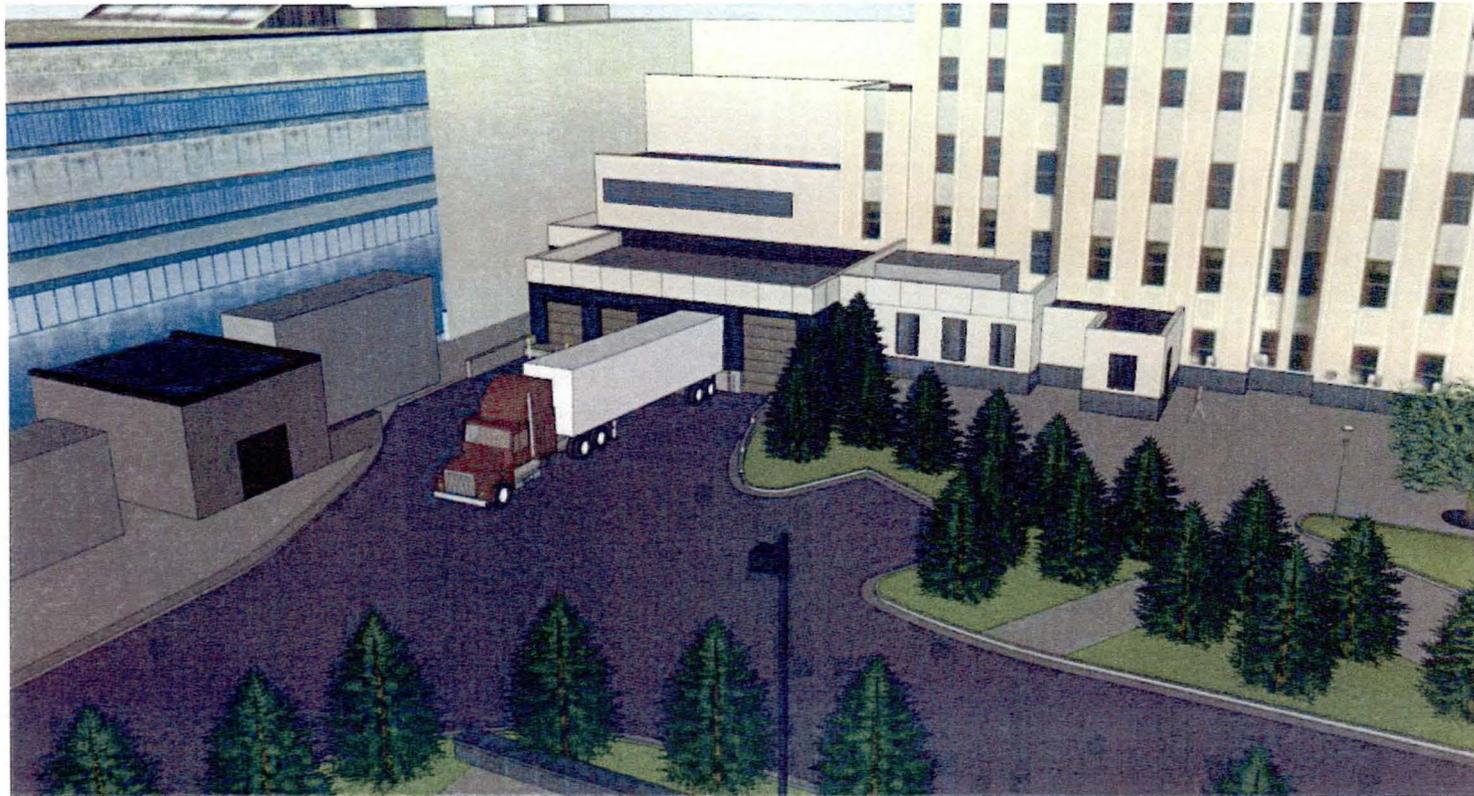


NORTH DAKOTA STATE CAPITOL

NORTH PARKING SITE ENHANCEMENTS AND LOADING DOCK

DESIGN DEVELOPMENT – IMAGE 4*

*With Semi Truck

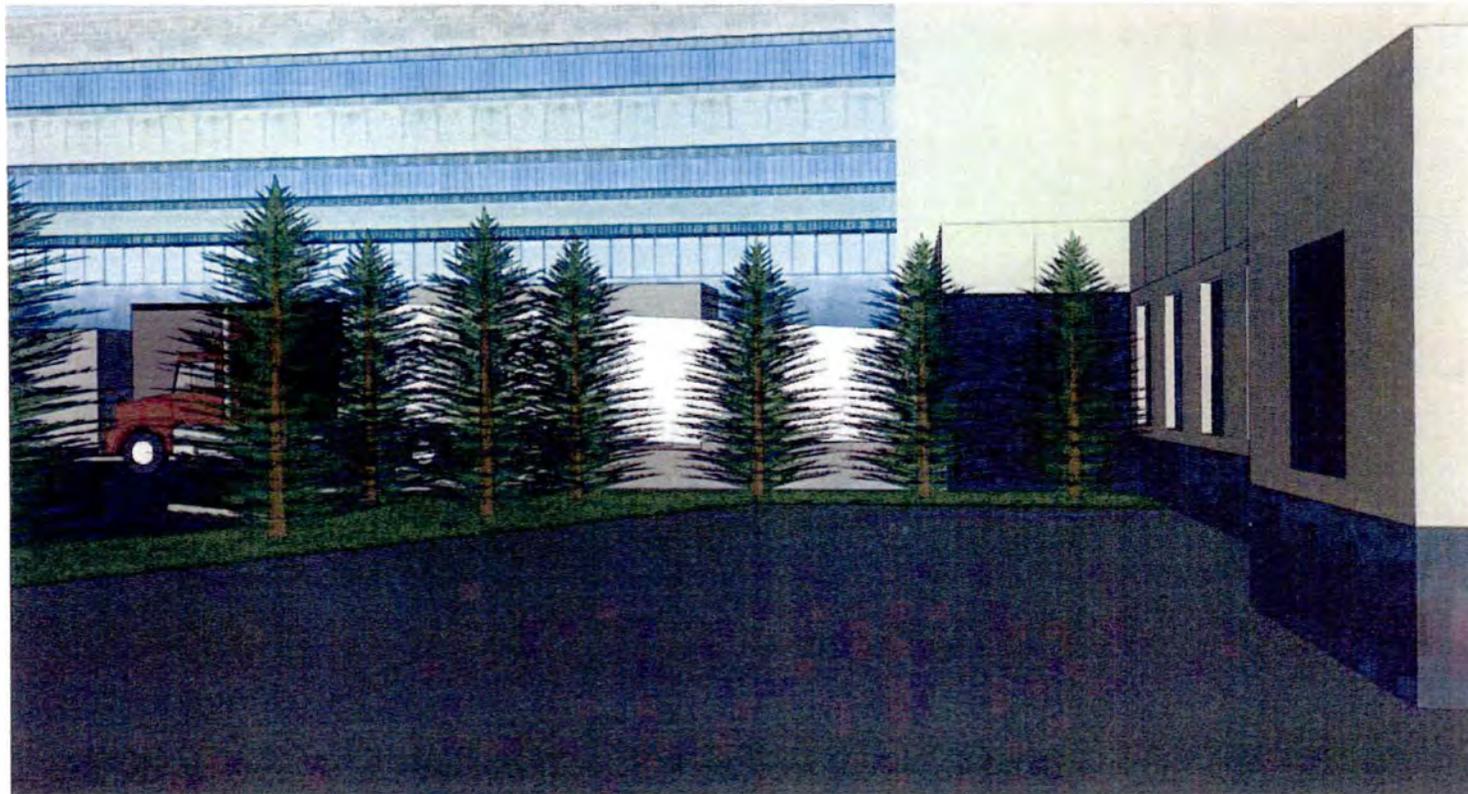


NORTH DAKOTA STATE CAPITOL

NORTH PARKING SITE ENHANCEMENTS AND LOADING DOCK

DESIGN DEVELOPMENT – IMAGE 13*

*With Semi Truck

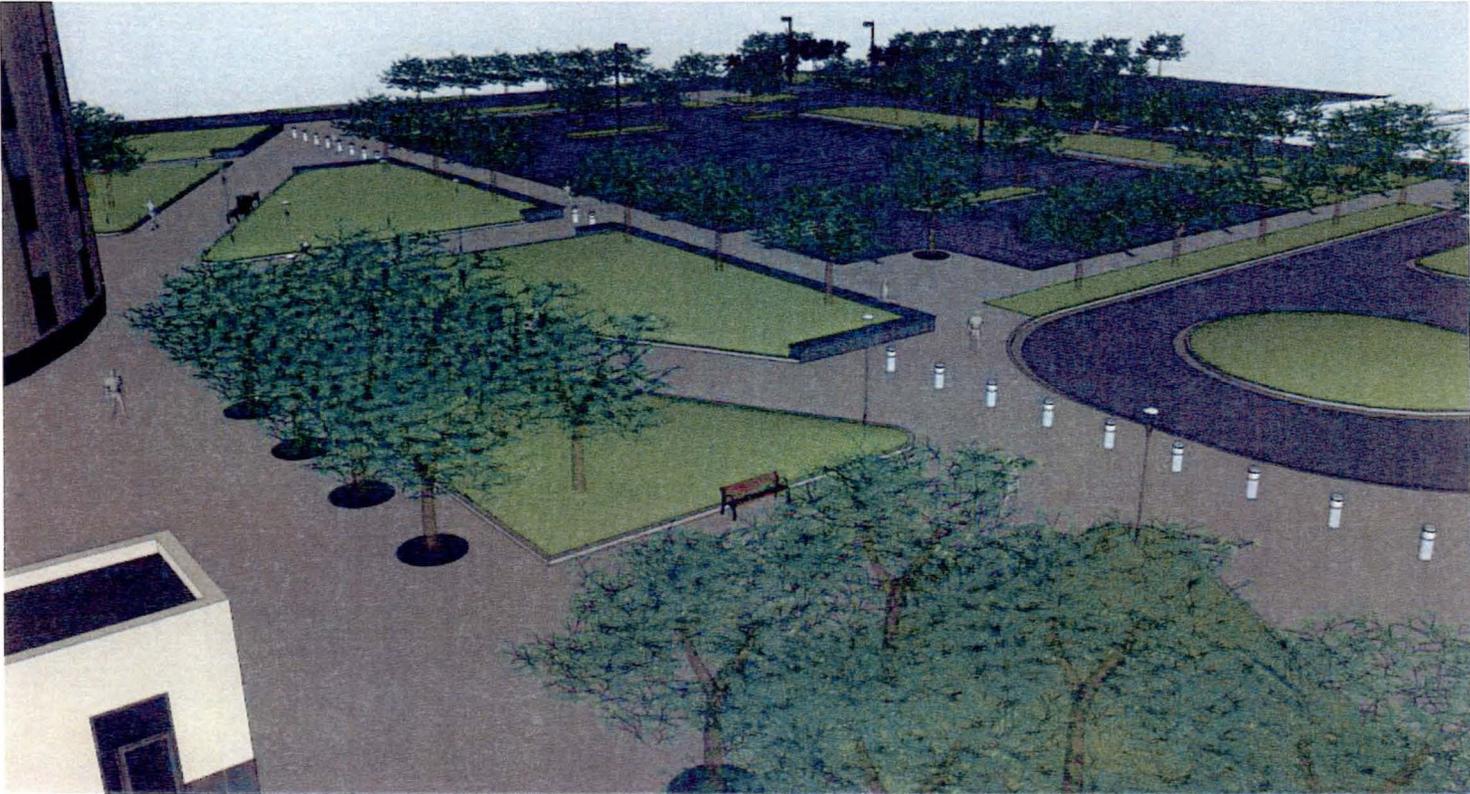


NORTH DAKOTA STATE CAPITOL

NORTH DAKOTA STATE CAPITOL
LOADING DOCK AND PARKING SITE ENHANCEMENTS

DESIGN DEVELOPMENT – IMAGE 18*

*Fourth Floor Corner Window View



NORTH DAKOTA STATE CAPITOL

NORTH PARKING SITE ENHANCEMENTS AND LOADING DOCK

13.8144.04036
Title.

Prepared by the Legislative Council staff for
Representative J. Nelson
May 1, 2013

#19

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1015

That the Senate recede from its amendments as printed on pages 1760-1766 of the House Journal and pages 1605-1610 of the Senate Journal and that Engrossed House Bill No. 1015 be amended as follows:

Page 1, line 6, after the third semicolon insert "to provide for the use of funds by the department of human services;"

Page 4, after line 31, insert:

"SECTION 10. USE OF FUNDS - DEPARTMENT OF HUMAN SERVICES. The department of human services may use a portion of the funds appropriated for grants to critical access hospitals in section 10 of House Bill No. 1358, as approved by the sixty-third legislative assembly, for the purpose of providing a grant to an organization to assist hospitals in developing a system to verify patient personal and health insurance information. The requirements of chapter 54-44.4 do not apply to the selection of a grantee, the grant award, or payments made under this section. The organization that receives the grant shall provide reports on the development and impact of the system to the department of human services in December and June of each year of the biennium."

Renumber accordingly

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1015

That the Senate recede from its amendments as printed on pages 1760-1766 of the House Journal and pages 1659-1666 of the Senate Journal and that Engrossed House Bill No. 1015 be amended as follows:

Page 2, after line 31, insert:

SECTION 4. APPROPRIATION - OFFICE OF MANAGEMENT AND BUDGET - STATE AGENCY ENERGY DEVELOPMENT IMPACT FUNDING POOL - TRANSFER AUTHORITY - EMERGENCY COMMISSION APPROVAL. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$4,000,000, or so much of the sum as may be necessary, and from special funds derived from federal funds and other income, the sum of \$4,500,000, or so much of the sum as may be necessary, to the office of management and budget for a state agency energy development impact funding pool, for the biennium beginning July 1, 2013, and ending June 30, 2015. The funds provided under this section are considered a one-time funding item.

A state agency may submit an application to the office of management and budget for a transfer of appropriation authority from the state agency energy development impact funding pool for employee housing rental assistance and temporary salary increases for employees affected by energy development. The office of management and budget, subject to emergency commission approval, shall transfer appropriation authority from the state agency energy development impact funding pool to eligible agencies for approved applications.

1. A state agency may submit an application to the office of management and budget to address rental assistance needs for employees in affected areas of the state. Spending authority is limited to six months or until the need for the assistance has ended, whichever occurs first. An agency may submit a renewal application for continued spending authority to address any continued need to provide assistance.
 - a. As part of the application for rental assistance, the agency must identify each position within the agency that requires rental assistance. The agency shall provide a housing survey conducted by the agency or an approved statewide housing survey for the immediate geographical location appropriate to each position for which approval is being requested. The survey must include an identified difference between the state rental rate average and the rental rates for housing in the location where the employee will reside. The survey must describe the methodology used in determining rental differential for that immediate geographical location. For an existing employee or applicant already with housing, the agency must attach the employee's rental agreement from the rental property company. For a newly hired employee, the agency shall forward a copy of the rental agreement after the applicant has been hired and secured housing. The rental agreement must include the following information:
 - (1) Rental company name.

- (2) Rental company address.
 - (3) Amount of rent.
 - (4) Effective date of lease.
- b. The office of management and budget shall review the application for rental assistance and make a recommendation to the emergency commission to approve or reject the request. The emergency commission shall make the final determination on the application. The applications must be reviewed on an individual position or positions basis based on documented need and affordability.
 - c. Rental assistance payments must be based on a housing survey conducted by the agency or a statewide survey subject to review and recommendation by the office of management and budget and approval by the emergency commission. Employees eligible to receive rental assistance include employees currently renting in designated areas of the state and new employees or existing employees transferring into affected areas of the state. The rental assistance payment must be a flat dollar amount based on the difference between the state rental rate average and the rental rates for housing in the location where the employee resides.
 - d. A state agency that has an employee receiving rental assistance must submit documentation to the office of management and budget upon request that verifies the employee's proof of payment.
 - e. A state agency must report any changes to the office of management and budget of the housing status of employees relating to a position that has been approved.
2. A state agency may submit an application for up to six months of salary differential payments for employees living in assigned or in temporarily assigned areas of the state affected by energy development. The application must document the salary level of each affected employee or position compared to statewide and local averages for similar types of employee positions. The office of management and budget shall review the application for salary differential payments and make a recommendation to the emergency commission to approve or reject the request. The emergency commission shall make the final determination on the application. Any salary differential payment provided to an employee does not become part of the employee's permanent base salary."

Page 3, line 18, replace "8" with "9"

Page 7, line 20, replace "11" with "12"

Renumber accordingly

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1015

That the Senate recede from its amendments as printed on page(s) 1760-1766 of the House Journal and page(s) 1659-1666 of the Senate Journal and that Engrossed House Bill No. 1015 be amended as follows:

Page 1, line 6, after the first semicolon insert "to amend and reenact section 12 of House Bill No. 1012, as approved by the sixty-third legislative assembly, relating to grants to a jurisdiction adjacent to an Indian reservation;"

Page 7, after line 19, insert:

"SECTION 15. DEPARTMENT OF HUMAN SERVICES - BUDGET SAVINGS - CONTINGENT GRANT. If the department of human services has not projected a 2013-15 biennium appropriation deficiency on or after July 1, 2014, the department of human services may award a grant from its general fund appropriation to an entity eligible under subsection 2 of section 50-01.2-03.2 as defined in section 12 of House Bill No. 1012, as approved by the sixty-third legislative assembly, for the period beginning July 1, 2014, and ending June 30, 2015. The amount provided under this section is in addition to, and may not exceed, the total amount provided under section 12 of House Bill No. 1012, as approved by the sixty-third legislative assembly.

SECTION 16. AMENDMENT. Section 12 of House Bill No. 1012, as approved by the sixty-third legislative assembly, is amended and reenacted as follows:

SECTION 12. GRANTS. The grants line item in subdivision 2 of section 1 of this Act includes \$300,000, or so much of the sum as may be necessary, from the general fund for grants to a jurisdiction that is adjacent to an Indian reservation but does not receive reimbursement payments under section 50-01.2-03.2 and is determined by the department of human services to be the most significantly impacted based on calendar year 2012 data for the first year of the biennium and calendar year 2013 data for the second year of the biennium considering the provisions of subsection 2 of section 50-01.2-03.2, for the biennium beginning July 1, 2013, and ending June 30, 2015. ~~No more than fifty percent of this appropriation may be distributed in each fiscal year of the biennium."~~

Renumber accordingly

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1015

That the Senate recede from its amendments as printed on pages 1760-1766 of the House Journal and pages 1659-1666 of the Senate Journal and that Engrossed House Bill No. 1015 be amended as follows:

Page 1, line 5, after "Code" insert "and section 15 of Senate Bill No. 2018, as approved by the sixty-third legislative assembly"

Page 1, line 6, after "royalties" insert "and research North Dakota grants"

Page 6, after line 20, insert:

"SECTION 12. Section 15 of Senate Bill No. 2018, as approved by the sixty-third legislative assembly, is amended and reenacted as follows:

SECTION 15. A new section to chapter 54-65 of the North Dakota Century Code is created and enacted as follows:

Research North Dakota grants.

The department shall establish and administer a research North Dakota grant program to provide grants to a research university for research, development, and commercialization activities related to a private sector partner. The centers of excellence commission, established under chapter 15-69, shall make grant award determinations under this section. The department shall work with the centers of excellence commission in establishing guidelines to qualify for a grant under this section, including the requirement that an application must be accompanied by a partnership agreement between the private sector partner and a research university. The agreement must include details regarding the scope of the work, the budget, the location of the work to be completed, the intellectual property ownership rights, and the intellectual property income distribution. The commission may approve changes to the scope of the work or the budget only to the extent that the changes are agreed upon by the private sector partner and the research university. Before the commission directs the department to distribute funds awarded under this section, the research university shall provide the commission with detailed documentation of private sector participation and the availability of one dollar of matching funds for each dollar of state funds to be distributed. Matching funds must be in the form of cash given to the research university and may not include in-kind assets."

Renumber accordingly

May 2, 2013

#23

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1015

Page 1, line 3, after "54-44.1-18" insert "and a new section to chapter 57-38"

Page 1, line 4, after "website" insert "and an income tax credit for employer-provided child care"

Page 6, after line 20, insert:

"SECTION 12. A new section to chapter 57-38 of the North Dakota Century Code is created and enacted as follows:

Employer-provided child care credit.

1. An employer is allowed a credit against the tax imposed under section 57-38-30 or 57-38-30.3 for providing a qualified child care facility. The amount of the credit under this section is fifty percent of the qualified child care expenditures incurred by the employer. Qualified child care expenditures under this section may not be used in the calculation of any other income tax deduction or credit allowed under state law.
2. For purposes of this section:
 - a. "Employer" means a taxpayer who employs one or more full-time equivalent employees and whose primary source of income is from a business other than the business of providing child care services.
 - b. "Qualified child care expenditure" means any amount paid or incurred:
 - (1) To acquire, construct, rehabilitate, or expand property:
 - (a) That is to be used as part of a qualified child care facility;
 - (b) For which a deduction under federal law for depreciation, or amortization in lieu of depreciation, is allowable; and
 - (c) That does not constitute part of the principal residence of the taxpayer or any employee of the taxpayer;
 - (2) For the direct costs necessary for the operation of the child care facility;
 - (3) For the indirect or overhead costs properly attributable to the child care facility, including insurance, utilities, front office salaries, property taxes, legal fees, and advertising; or
 - (4) Under a contract with a qualified child care facility to provide child care services to employees of the taxpayer, including any amount paid to the child care facility for additional direct or indirect costs of the facility.

The term "qualified child care expenditure" does not include expenses in excess of the fair market value of such care.

- c. "Qualified child care facility" means a facility the principal use of which is to provide child care assistance to the taxpayer's employees and that meets the requirements of all applicable laws and regulations of the state and local government in which it is located.
- (1) The term "qualified child care facility" does not apply to a facility which is the principal residence of the operator of the facility.
 - (2) A facility may not be treated as a qualified child care facility with respect to a taxpayer unless:
 - (a) Enrollment in the facility is open to employees of the taxpayer during the taxable year; and
 - (b) Eligibility for enrollment must be offered to all employees on an equal opportunity basis.
3. The taxpayer shall claim the total credit amount for the taxable year in which the qualified child care expenditures are made, except depreciated property expenditures shall be claimed in the taxable year in which the property is placed in service. The credit under this section may not exceed the taxpayer's liability as determined under this chapter for any taxable year.
4. If two or more taxpayers share in the qualified child care expenditures, each taxpayer must be allowed the credit in relation to the respective share paid or incurred by each taxpayer of the total expenditures for the facility in each taxable year.
5. If the amount of the credit determined under this section exceeds the liability for tax under this chapter, the excess may be carried forward to each of the next five succeeding taxable years.
6. A partnership, subchapter S corporation, limited partnership, limited liability company, or any other passthrough entity entitled to the credit under this section must be considered to be the taxpayer for purposes of calculating the credit. The amount of the allowable credit must be determined at the passthrough entity level. The total credit determined at the entity level must be passed through to the partners, shareholders, or members in proportion to their respective interests in the passthrough entity. An individual taxpayer may take the credit passed through under this subsection against the individual's state income tax liability under section 57-38-30.3.
7. To receive the tax credit provided under this section, a taxpayer shall claim the credit in the form and manner as may be prescribed by the tax commissioner.
8. It is the intent of the legislative assembly that the credit provided in this section must be liberally construed and interpreted to effectuate the expansion of child care availability in the state."

Page 7, line 21, after the period insert "Section 12 of this Act is effective for taxable years beginning after December 31, 2012."

Re-number accordingly

May 3, 2013

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1015

Page 1, line 3, after "54-44.1-18" insert ", a new subdivision to subsection 1 of section 57-38-01.3, a new subdivision to subsection 2 of section 57-38-30.3, and a new section to chapter 57-38"

Page 1, line 4, after "website" insert "and an income tax deduction for employer-provided child care"

Page 6, after line 20, insert:

"SECTION 12. A new subdivision to subsection 1 of section 57-38-01.3 of the North Dakota Century Code is created and enacted as follows:

Reduced by the deduction for employer-provided child care as determined under section 13 of this Act.

SECTION 13. A new section to chapter 57-38 of the North Dakota Century Code is created and enacted as follows:

Employer-provided child care deduction.

1. An employer is allowed a deduction against the tax imposed under section 57-38-30 or 57-38-30.3 for providing a qualified child care facility. The amount of the deduction under this section is fifty percent of the qualified child care expenditures incurred by the employer. Qualified child care expenditures under this section may not be used in the calculation of any other income tax deduction or credit allowed under state law.
2. For purposes of this section:
 - a. "Employer" means a taxpayer who employs one or more full-time equivalent employees and whose primary source of income is from a business other than the business of providing child care services.
 - b. "Qualified child care expenditure" means any amount paid or incurred:
 - (1) To acquire, construct, rehabilitate, or expand property:
 - (a) That is to be used as part of a qualified child care facility;
 - (b) For which a deduction under federal law for depreciation, or amortization in lieu of depreciation, is allowable; and
 - (c) That does not constitute part of the principal residence of the taxpayer or any employee of the taxpayer;
 - (2) For the direct costs necessary for the operation of the child care facility;
 - (3) For the indirect or overhead costs properly attributable to the child care facility, including insurance, utilities, front office salaries, property taxes, legal fees, and advertising; or

- (4) Under a contract with a qualified child care facility to provide child care services to employees of the taxpayer, including any amount paid to the child care facility for additional direct or indirect costs of the facility.

The term "qualified child care expenditure" does not include expenses in excess of the fair market value of such care.

- c. "Qualified child care facility" means a facility the principal use of which is to provide child care assistance to the taxpayer's employees and that meets the requirements of all applicable laws and regulations of the state and local government in which it is located.
 - (1) The term "qualified child care facility" does not apply to a facility which is the principal residence of the operator of the facility.
 - (2) A facility may not be treated as a qualified child care facility with respect to a taxpayer unless:
 - (a) Enrollment in the facility is open to employees of the taxpayer during the taxable year; and
 - (b) Eligibility for enrollment must be offered to all employees on an equal opportunity basis.
3. The taxpayer shall claim the total deduction amount for the taxable year in which the qualified child care expenditures are made, except depreciated property expenditures shall be claimed in the taxable year in which the property is placed in service. The deduction under this section may not reduce the taxpayer's liability as determined under this chapter to less than zero for any taxable year.
4. If two or more taxpayers share in the qualified child care expenditures, each taxpayer must be allowed the deduction in relation to the respective share paid or incurred by each taxpayer of the total expenditures for the facility in each taxable year.
5. If the amount of the deduction determined under this section reduces the liability for tax to zero under this chapter, the excess may be carried forward to each of the next five succeeding taxable years.
6. A partnership, subchapter S corporation, limited partnership, limited liability company, or any other passthrough entity entitled to the deduction under this section must be considered to be the taxpayer for purposes of calculating the deduction. The amount of the allowable deduction must be determined at the passthrough entity level. The total deduction determined at the entity level must be passed through to the partners, shareholders, or members in proportion to their respective interests in the passthrough entity. An individual taxpayer may take the deduction passed through under this subsection against the individual's state income tax liability under section 57-38-30.3.
7. To receive the tax deduction provided under this section, a taxpayer shall claim the deduction in the form and manner as may be prescribed by the tax commissioner.

8. It is the intent of the legislative assembly that the deduction provided in this section must be liberally construed and interpreted to effectuate the expansion of child care availability in the state.

SECTION 14. A new subdivision to subsection 2 of section 57-38-30.3 of the North Dakota Century Code is created and enacted as follows:

Reduced by the deduction for employer-provided child care as determined under section 13 of this Act."

Page 7, line 21, after the period insert "Sections 12, 13, and 14 of this Act are effective for taxable years beginning after December 31, 2012."

Renumber accordingly

May 2, 2013

#25

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1015

That the Senate recede from its amendments as printed on pages 1760-1766 of the House Journal and pages 1659-1666 of the Senate Journal and that Engrossed House Bill No. 1015 be amended as follows:

Page 1, line 6, after the third semicolon insert "to provide an appropriation to the department of human services;"

Page 7, after line 19, insert:

"SECTION 15. DEPARTMENT OF HUMAN SERVICES - DEVELOPMENT OF PLAN FOR ADMINISTRATION AND FUNDING OF STATE AND COUNTY SOCIAL SERVICES PROGRAMS. During the 2013-14 interim, the department of human services and county representatives shall develop a plan for the phased restructuring of the administration and funding of all state and county social services programs. The plan must provide for the phased unification of all state, including central office, state human service institutions and centers, and county social services programs into state-administered and state-funded social and human service programs. The plan must provide for the continuation of local access to social and human services and local input into the service delivery system and consider the unification of the present functions of the human service centers and the county social service offices and make recommendations regarding the future function of state institutions. The department shall seek input from North Dakota private organizations providing social and human service programs and client advocates in the development of this plan and shall outline the role of contracted services. The department shall contract with independent consultants recognized as national level experts in state human service system design in the development of this plan. Before September 1, 2014, the department shall present its findings, the proposed plan, and any legislative changes necessary to implement that plan, to the legislative management.

SECTION 16. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$638,697, or so much of the sum as may be necessary, and from special funds, derived from federal funds, the sum of \$361,303, or so much of the sum as may be necessary, to the department of human services for the purpose of defraying the expenses associated with developing a plan for administration and funding of state and county social services programs, for the biennium beginning July 1, 2013, and ending June 30, 2015."

Renumber accordingly

May 3, 2013

#26

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1015

Page 1, line 5, after "section" insert "15-05-10,"

Page 1, line 5, after "15.1-27-25" insert ", subsection 4 of section 38-08-04, section 57-51.1-01, subsection 2 of section 57-51.1-03, and subsection 1 of section 57-51.1-03.1"

Page 1, line 6, after "royalties" insert "and the stripper well exemption from the oil extraction tax"

Page 4, after line 31, insert:

"SECTION 10. AMENDMENT. Section 15-05-10 of the North Dakota Century Code is amended and reenacted as follows:

15-05-10. Royalties from oil leases - Rents from other leases - Rules.

Oil leases must be made by the board of university and school lands at such annual minimum payments as are determined by the board, but the royalty shall be not less than twelve and one-half percent of the gross output of oil from the lands leased. Oil leases made by the board may authorize a royalty of less than twelve and one-half percent for production from stripper well properties or individual stripper wells and qualifying secondary recovery and qualifying tertiary recovery projects as defined in section 57-51.1-01. Leases for gas, coal, cement materials, sodium sulfate, sand and gravel, road material, building stone, chemical substances, metallic ores, or colloidal or other clays must be made by the board in such annual payments as are determined by the board. The board may adopt rules regarding annual payments and royalties under this section."

Page 6, after line 8, insert:

"SECTION 12. AMENDMENT. Subsection 4 of section 38-08-04 of the North Dakota Century Code is amended and reenacted as follows:

4. To classify wells as oil or gas wells for purposes material to the interpretation or enforcement of this chapter, to classify and determine the status and depth of wells that are stripper well property as defined in subsection 8 of section 57-51.1-01, to certify to the tax commissioner which wells are stripper wells and the depth of those wells, to recertify stripper wells that are reentered and recompleted as horizontal wells, and to certify to the tax commissioner which wells involve secondary or tertiary recovery operations under section 57-51.1-01, and the date of qualification for the reduced rate of oil extraction tax for secondary and tertiary recovery operations."

Page 6, after line 20, insert:

"SECTION 14. AMENDMENT. Section 57-51.1-01 of the North Dakota Century Code is amended and reenacted as follows:

57-51.1-01. Definitions for oil extraction tax.

For the purposes of the oil extraction tax law, the following words and terms shall have the meaning ascribed to them in this section this chapter:

1. "Average daily production" of a well means the qualified maximum total production of oil from the well during a calendar month period divided by the number of calendar days in that period, and "qualified maximum total production" of a well means that the well must have been maintained at the maximum efficient rate of production as defined and determined by rule adopted by the industrial commission in furtherance of its authority under chapter 38-08.
2. "Average price" of a barrel of crude oil means the monthly average of the daily closing price for a barrel of west Texas intermediate cushing crude oil, as those prices appear in the Wall Street Journal, midwest edition, minus two dollars and fifty cents. When computing the monthly average price, the most recent previous daily closing price must be considered the daily closing price for the days on which the market is closed.
3. "Horizontal reentry well" means a well that was not initially drilled and completed as a horizontal well, including any well initially plugged and abandoned as a dry hole, which is reentered and recompleted as a horizontal well.
4. "Horizontal well" means a well with a horizontal displacement of the well bore drilled at an angle of at least eighty degrees within the productive formation of at least three hundred feet [91.44 meters].
5. "Oil" means petroleum, crude oil, mineral oil, casinghead gasoline, and all liquid hydrocarbons that are recovered from gas on the lease incidental to the production of the gas.
6. "Property" means the right which arises from a lease or fee interest, as a whole or any designated portion thereof, to produce oil. A producer shall treat as a separate property each separate and distinct producing reservoir subject to the same right to produce crude oil; provided, that such reservoir is recognized by the industrial commission as a producing formation that is separate and distinct from, and not in communication with, any other producing formation.
7. "Qualifying secondary recovery project" means a project employing water flooding. To be eligible for the tax reduction provided under section 57-51.1-02, a secondary recovery project must be certified as qualifying by the industrial commission and the project operator must have achieved for six consecutive months an average production level of at least twenty-five percent above the level that would have been recovered under normal recovery operations. To be eligible for the tax exemption provided under section 57-51.1-03 and subsequent thereto the rate reduction provided under section 57-51.1-02, a secondary recovery project must be certified as qualifying by the industrial commission and the project operator must have obtained incremental production as defined in subsection 5 of section 57-51.1-03.

8. "Qualifying tertiary recovery project" means a project for enhancing recovery of oil which meets the requirements of section 4993(c), Internal Revenue Code of 1954, as amended through December 31, 1986, and includes the following methods for recovery:

- a. Miscible fluid displacement.
- b. Steam drive injection.
- c. Microemulsion.
- d. In situ combustion.
- e. Polymer augmented water flooding.
- f. Cyclic steam injection.
- g. Alkaline flooding.
- h. Carbonated water flooding.
- i. Immiscible carbon dioxide displacement.
- j. New tertiary recovery methods certified by the industrial commission.

It does not include water flooding, unless the water flooding is used as an element of one of the qualifying tertiary recovery techniques described in this subsection, or immiscible natural gas injection. To be eligible for the tax reduction provided under section 57-51.1-02, a tertiary recovery project must be certified as qualifying by the industrial commission, the project operator must continue to operate the unit as a qualifying tertiary recovery project, and the project operator must have achieved for at least one month a production level of at least fifteen percent above the level that would have been recovered under normal recovery operations. To be eligible for the tax exemption provided under section 57-51.1-03 and subsequent thereto the rate reduction provided under section 57-51.1-02, a tertiary recovery project must be certified as qualifying by the industrial commission, the project operator must continue to operate the unit as a qualifying tertiary recovery project, and the project operator must have obtained incremental production as defined in subsection 5 of section 57-51.1-03.

9. "Royalty owner" means an owner of what is commonly known as the royalty interest and shall not include the owner of any overriding royalty or other payment carved out of the working interest.

10. "Stripper well" means a well drilled and completed, or reentered and recompleted as a horizontal well, after June 30, 2013, whose average daily production of oil during any preceding consecutive twelve-month period, excluding condensate recovered in nonassociated production, per well did not exceed ten barrels per day for wells of a depth of six thousand feet [1828.80 meters] or less, fifteen barrels per day for wells of a depth of more than six thousand feet [1828.80 meters] but not more than ten thousand feet [3048 meters], and thirty barrels per day for wells of a depth of more than ten thousand feet [3048 meters] outside the Bakken and Three Forks formations, and thirty-five barrels per day for wells of a depth of more than ten thousand feet [3048 meters] in the Bakken or Three Forks formation.

11. "Stripper well property" means wells drilled and completed, or a well reentered and recompleted as a horizontal well, before July 1, 2013, on a "property" whose average daily production of oil, excluding condensate recovered in nonassociated production, per well did not exceed ten barrels per day for wells of a depth of six thousand feet [1828.80 meters] or less, fifteen barrels per day for wells of a depth of more than six thousand feet [1828.80 meters] but not more than ten thousand feet [3048 meters], and thirty barrels per day for wells of a depth of more than ten thousand feet [3048 meters] during any preceding consecutive twelve-month period. Wells which did not actually yield or produce oil during the qualifying twelve-month period, including disposal wells, dry wells, spent wells, and shut-in wells, are not production wells for the purpose of determining whether the stripper well property exemption applies.
- ~~11-12.~~ "Trigger price" means thirty-five dollars and fifty cents, as indexed for inflation. By December thirty-first of each year, the tax commissioner shall compute an indexed trigger price by applying to the current trigger price the rate of change of the producer price index for industrial commodities as calculated and published by the United States department of labor, bureau of labor statistics, for the twelve months ending June thirtieth of that year and the indexed trigger price so determined is the trigger price for the following calendar year.
- ~~12-13.~~ "Two-year inactive well" means any well certified by the industrial commission that did not produce oil in more than one month in any consecutive twenty-four-month period before being recompleted or otherwise returned to production after July 31, 1995. A well that has never produced oil, a dry hole, and a plugged and abandoned well are eligible for status as a two-year inactive well.

SECTION 15. AMENDMENT. Subsection 2 of section 57-51.1-03 of the North Dakota Century Code is amended and reenacted as follows:

2. The activity of extracting from the earth any oil from a stripper well property or individual stripper well.

SECTION 16. AMENDMENT. Subsection 1 of section 57-51.1-03.1 of the North Dakota Century Code is amended and reenacted as follows:

1. To receive, from the first day of eligibility, a tax exemption on production from a stripper well property or individual stripper well under subsection 2 of section 57-51.1-03, the industrial commission's certification must be submitted to the tax commissioner within eighteen months after the end of the stripper well property's or stripper well's qualification period."

Page 7, line 20, replace "11" with "13"

Page 7, line 21, after "2014" insert ", and sections 10, 12, 14, 15, and 16 of this Act are effective for taxable events occurring after June 30, 2013"

Renumber accordingly

HB 1015
May 3, 2013
Attachment 1

NORTH DAKOTA – PARKING, LOADING DOCK & CORRIDOR

VALUE ENGINEERING – ESTIMATE SUMMARY – 04.25.2013

Site Demolition and Clearing	\$285,000
Grading	\$278,000
Bituminous Paving	\$990,000
Concrete Paving, Gutters, and Curbing	\$724,000
Storm Drain Systems	\$274,000
Landscaping and Irrigation	\$273,000
Site Lighting	\$172,000
Landscaping Foundation Walls	\$198,000
Exterior Redesign of Parking Lot Total	\$2,893,000
Loading Dock Expansion Total	\$825,000
Cafeteria Corridor Remodeling to Match Ground Floor	\$585,000
Project Total	\$4,303,000

May 3, 2013

HB 1015
5/3/13
Attachment 2

ESTIMATED 2013-15 BIENNIUM ENDING FUND BALANCE - SELECTED MAJOR FUNDS

This memorandum provides information on the 2013-15 biennium estimated ending fund balance for the general fund, the strategic investments and improvements fund, the budget stabilization fund, and the property tax relief sustainability fund. The schedule below shows the 2013-15 biennium estimated ending fund balance for the general fund with proposed adjustments in Engrossed House Bill No. 1015.

	General Fund
Budget status as of 8:00 PM on May 1, 2013	(\$892,644,108)
Estimated adjustments as of 9:00 PM on May 3, 2013	159,244,108
New Balance	(\$733,400,000)
Proposed adjustments in Engrossed House Bill No. 1015	
Transfer to property tax relief and sustainability fund (\$315,210,000)	\$58,000,000
Exclude Senate Bill No. 2176 appropriations from budget stabilization fund transfer	68,400,000
Transfer from strategic investment and improvements fund	520,000,000
Tentative ending balance June 30, 2015	\$87,000,000

The schedule below shows the potential effect of the proposed adjustments in Engrossed House Bill No. 1015 on the estimated ending balances for the strategic investments and improvements fund, the budget stabilization fund, and the property tax relief sustainability fund.

	Total
Strategic investment and improvements fund	
Estimated beginning balance	\$706,000,000
Legislative appropriations	(225,000,000)
New balance	\$481,000,000
Proposed transfer	520,000,000
Use of 2013-15 estimated revenues	<u>(\$39,000,000)</u>
Tentative ending balance June 30, 2015	\$721,000,000
Budget stabilization fund	
Tentative estimated ending balance	\$584,000,000
Property tax relief sustainability fund	
Tentative estimated ending balance	\$657,000,000

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1015

Page 1, line 6, after the first semicolon insert "to amend and reenact section 1 of House Bill No. 1019, as approved by the sixty-third legislative assembly, relating to the parks and recreation department;"

Page 7, after line 19, insert:

"SECTION 15. AMENDMENT. Section 1 of House Bill No. 1019, as approved by the sixty-third legislative assembly, is amended and reenacted as follows:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the parks and recreation department for the purpose of defraying the expenses of the parks and recreation department and for providing a grant to the International Peace Garden, for the biennium beginning July 1, 2013, and ending June 30, 2015, as follows:

Subdivision 1.

PARKS AND RECREATION DEPARTMENT

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Administration	\$2,484,885	\$188,708	\$2,673,593
Accrued leave payments	0	181,577	181,577
Natural resources	12,768,203	8,325,122	21,093,325
Recreation	7,489,091	(1,403,216)	6,085,875
Total all funds	\$22,742,179	\$7,292,191	\$30,034,370
Less estimated income	11,641,632	359,199	12,000,731
Total general fund	\$11,100,647	\$6,932,992	\$18,033,639
Full-time equivalent positions	54.00	1.00	55.00
<u>Administration</u>	<u>\$2,484,885</u>	<u>\$188,708</u>	<u>\$2,673,593</u>
<u>Accrued leave payments</u>	<u>0</u>	<u>181,577</u>	<u>181,577</u>
<u>Natural resources</u>	<u>12,768,203</u>	<u>7,875,122</u>	<u>20,643,325</u>
<u>Recreation</u>	<u>7,489,091</u>	<u>(1,403,216)</u>	<u>6,085,875</u>
<u>Total all funds</u>	<u>\$22,742,179</u>	<u>\$6,842,191</u>	<u>\$29,584,370</u>
<u>Less estimated income</u>	<u>11,641,532</u>	<u>134,199</u>	<u>11,775,731</u>
<u>Total general fund</u>	<u>\$11,100,647</u>	<u>\$6,707,992</u>	<u>\$17,808,639</u>
<u>Full-time equivalent positions</u>	<u>54.00</u>	<u>1.00</u>	<u>55.00</u>

Subdivision 2.

INTERNATIONAL PEACE GARDEN

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
International Peace Garden	\$773,699	\$1,450,000	\$2,223,699
Total general fund	\$773,699	\$1,450,000	\$2,223,699

Subdivision 3.

	BILL TOTAL	Adjustments or	Appropriation
	<u>Base Level</u>	<u>Enhancements</u>	
Grand total general fund	\$11,874,346	\$8,382,992	\$20,257,338
Grand total special funds	11,641,632	359,199	12,000,731
Grand total all funds	\$23,515,878	\$8,742,191	\$32,258,069
<u>Grand total general fund</u>	<u>\$11,874,346</u>	<u>\$8,157,992</u>	<u>\$20,032,338</u>
<u>Grand total special funds</u>	<u>11,641,532</u>	<u>134,199</u>	<u>11,775,731</u>
<u>Grand total all funds</u>	<u>\$23,515,878</u>	<u>\$8,292,191</u>	<u>\$31,808,069"</u>

Renumber accordingly

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1015

That the Senate recede from its amendments as printed on pages 1760-1766 of the House Journal and pages 1659-1666 of the Senate Journal and that Engrossed House Bill No. 1015 be amended as follows:

Page 1, line 5, after "Code" insert "and sections 5, 6, and 7 of House Bill No. 1358, as approved by the sixty-third legislative assembly"

Page 1, line 6, after "royalties" insert "and funding for road projects"

Page 6, after line 20, insert:

"SECTION 12. AMENDMENT. Section 5 of House Bill No. 1358, as approved by the sixty-third legislative assembly, is amended and enacted as follows:

SECTION 5. APPROPRIATION - DEPARTMENT OF TRANSPORTATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$160,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of allocation as provided in this section among oil-producing counties that received \$5,000,000 or more of allocations under subsection 2 of section 57-51-15 in the state fiscal year ending June 30, ~~2012~~2013, for the biennium beginning July 1, 2013, and ending June 30, 2015.

1. The sum appropriated in this section must be used to rehabilitate or reconstruct county paved and unpaved roads and bridges needed to support oil and gas production and distribution in North Dakota.
 - a. Funding allocations to counties are to be made by the department of transportation based on data supplied by the upper great plains transportation institute.
 - b. Counties identified in the data supplied by the upper great plains transportation institute which received \$5,000,000 or more of allocations under subsection 2 of section 57-51-15 for the state fiscal year ending June 30, ~~2012~~2013, are eligible for this funding.
2. Each county requesting funding under this section for county road and bridge projects shall submit the request in accordance with criteria developed by the department of transportation.
 - a. The request must include a proposed plan for funding projects that rehabilitate or reconstruct paved and unpaved roads and bridges within the county.
 - b. The plan must be based on data supplied by the upper great plains transportation institute, actual road and bridge conditions, and integration with state highway and other county projects.
 - c. Projects funded under this section must comply with the American association of state highway transportation officials (AASHTO)

pavement design procedures and the department of transportation local government requirements. Upon completion of major reconstruction projects, the roadway segment must be posted at a legal load limit of 105,500 pounds [47853.993 kilograms].

- d. Funds may not be used for routine maintenance.
3. The department of transportation, in consultation with the county, may approve the plan or approve the plan with amendments.
4. The funding appropriated in this section may be used for:
 - a. Ninety percent of the cost of the approved projects not to exceed the funding available for that county.
 - b. Funding may be used for construction, engineering, and plan development costs.
5. Upon approval of the plan, the department of transportation shall transfer to the county the approved funding for engineering and plan development costs.
6. Upon execution of a construction contract by the county, the department of transportation shall transfer to the county the approved funding to be distributed for county and township rehabilitation and reconstruction projects.
7. The recipient counties shall report to the department of transportation upon awarding of each contract and upon completion of each project in a manner prescribed by the department.
8. The funding under this section may be applied to engineering, design, and construction costs incurred on related projects as of January 1, 2013.
9. For purposes of this section, a "bridge" is a structure that has an opening of more than 20 feet [6.096 meters] as measured along the centerline of the roadway. It may also be the clear openings of more than 20 feet [6.096 meters] of a group of pipes as long as the pipes are spaced less than half the distance apart of the smallest diameter pipe.
10. Section 54-44.1-11 does not apply to funding under this section. Any funds not spent by June 30, 2015, must be continued into the biennium beginning July 1, 2015, and ending June 30, 2017, and may be expended only for purposes authorized by this section.

SECTION 13. AMENDMENT. Section 6 of House Bill No. 1358, as approved by the sixty-third legislative assembly, is amended and enacted as follows:

SECTION 6. APPROPRIATION - DEPARTMENT OF TRANSPORTATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$120,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of allocation among counties that did not receive \$5,000,000 or more of allocations under subsection 2 of section 57-51-15 in the state fiscal year ending June 30, ~~2012~~2013, for the biennium beginning July 1,

2013, and ending June 30, 2015. The amounts available for allocation under this section must be distributed on or after February 1, 2014.

1. The sum appropriated in this section must be used to rehabilitate or reconstruct county paved and unpaved roads and bridges needed to support economic activity in North Dakota.
 - a. To be eligible to receive an allocation under this section, a county may not have received \$5,000,000 or more of allocations under subsection 2 of section 57-51-15 during the state fiscal year ending June 30, ~~2012~~2013.
 - b. Allocations among eligible counties under this section must be based on the miles of roads defined by the department of transportation as county major collector roadways in each county.
 - c. The department of transportation may use data supplied by the upper great plains transportation institute in determining the projects to receive funding under this section.
2. Each county requesting funding under this section shall submit the request in accordance with criteria developed by the department of transportation.
 - a. The request must include a proposed plan for funding projects that rehabilitate or reconstruct paved and unpaved roads and bridges within the county.
 - b. The plan must be based on actual road and bridge conditions and the integration of projects with state highway and other county projects.
 - c. Projects funded under this section must comply with the American association of state highway transportation officials (AASHTO) pavement design procedures and the department of transportation local government requirements. Upon completion of major reconstruction projects, the roadway segment must be posted at a legal load limit of 105,500 pounds [47853.993 kilograms].
 - d. Funds may not be used for routine maintenance.
3. The department of transportation, in consultation with the county, may approve the plan or approve the plan with amendments.
4. The funding appropriated in this section may be used for:
 - a. Ninety percent of the cost of the approved projects not to exceed the funding available for that county.
 - b. Funding may be used for construction, engineering, and plan development costs.
5. Upon approval of the plan, the department of transportation shall transfer to the county the approved funding for engineering and plan development costs.
6. Upon execution of a construction contract by the county, the department of transportation shall transfer to the county the approved funding to be

distributed for county and township rehabilitation and reconstruction projects.

7. The recipient counties shall report to the department of transportation upon awarding of each contract and upon completion of each project in a manner prescribed by the department.
8. The funding under this section may be applied to engineering, design, and construction costs incurred on related projects as of January 1, 2013.
9. For purposes of this section, a "bridge" is a structure that has an opening of more than 20 feet [6.096 meters] as measured along the centerline of the roadway. It may also be the clear openings of more than 20 feet [6.096 meters] of a group of pipes as long as the pipes are spaced less than half the distance apart of the smallest diameter pipe.
10. Section 54-44.1-11 does not apply to funding under this section. Any funds not spent by June 30, 2015, must be continued into the biennium beginning July 1, 2015, and ending June 30, 2017, and may be expended only for purposes authorized by this section.

SECTION 14. AMENDMENT. Section 7 of House Bill No. 1358, as approved by the sixty-third legislative assembly, is amended and enacted as follows:

SECTION 7. APPROPRIATION - STATE TREASURER. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$8,760,000, or so much of the sum as may be necessary, to the state treasurer for allocation to counties for allocation to or for the benefit of townships in oil-producing counties, for the biennium beginning July 1, 2013, and ending June 30, 2015. The funding provided in this section must be distributed in equal amounts in July 2013 and May 2014. The state treasurer shall distribute the funds provided under this section as soon as possible to counties and the county treasurer shall allocate the funds to or for the benefit of townships in oil-producing counties through a distribution of \$15,000 each year to each organized township and a distribution of \$15,000 each year for each unorganized township to the county in which the unorganized township is located. For unorganized townships within the county, the board of county commissioners may expend an appropriate portion of revenues under this subdivision for township roads or other infrastructure needs in those townships. A township is not eligible for an allocation of funds under this section if the township does not maintain any township roads. For the purposes of this section, an "oil-producing county" means a county that received an allocation of funding under section 57-51-15 of more than \$500,000 but less than \$5,000,000 in the state fiscal year ending June 30, ~~2012~~2013."

Renumber accordingly

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1015

Page 1, line 7, remove "and"

Page 1, line 8, after "date" insert "; and to declare an emergency"

Page 7, after line 21, insert:

"SECTION 16. EMERGENCY. Sections 21, 23, 27, 28, 29, 30, and 37, \$200,000 included in the operations line item in subdivision 8 of section 1 for the Theodore Roosevelt center, \$5,000,000 included in the operations line item in subdivision 10 of section 1 for flood recovery funding, and the capital assets, master plan and space utilization study, and deferred maintenance pool line items in section 1 of Senate Bill No. 2003, as approved by the sixty-third legislative assembly, are declared to be an emergency measure."

Renumber accordingly

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1015

Page 1, line 7, after the second semicolon insert "to provide an exception to general fund transfers to the budget stabilization fund;"

Page 7, after line 19, insert:

"SECTION 15. GENERAL FUND TRANSFERS TO BUDGET STABILIZATION FUND - EXCEPTION. Notwithstanding section 54-27.2-02, the state treasurer and the office of management and budget may not include any general fund appropriations provided in Senate Bill No. 2176, as approved by the sixty-third legislative assembly, in the amount used to determine general fund transfers to the budget stabilization fund at the end of the 2011-13 biennium under chapter 54-27.2."

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment provides that general fund appropriations included in Senate Bill No. 2176 not be included in the calculation used to determine general fund transfers to the budget stabilization fund at the end of the 2011-13 biennium.

13.8144.04062
Title.

Prepared by the Legislative Council staff for
Representative Carlson
May 3, 2013

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1015

Page 2, line 28, replace "\$373,210,000" with "\$315,210,000"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment changes the amount of the transfer from the general fund to the property tax relief sustainability fund from \$373,210,000 to \$315,210,000

May 3, 2013

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1015

Page 1, line 5, after "Code" insert "and subsection 1 of section 57-02-08.1 of the North Dakota Century Code as amended by Senate Bill No. 2171, as approved by the sixty-third legislative assembly"

Page 6, after line 20, insert:

"SECTION 12. AMENDMENT. Subsection 1 of section 57-02-08.1 of the North Dakota Century Code as amended by Senate Bill No. 2171, as approved by the sixty-third legislative assembly, is amended and reenacted as follows:

1. a. Any person sixty-five years of age or older or permanently and totally disabled, in the year in which the tax was levied, with an income that does not exceed the limitations of subdivision c is entitled to receive a reduction in the assessment on the taxable valuation on the person's homestead. An exemption under this subsection applies regardless of whether the person is the head of a family.
- b. The exemption under this subsection continues to apply if the person does not reside in the homestead and the person's absence is due to confinement in a nursing home, hospital, or other care facility, for as long as the portion of the homestead previously occupied by the person is not rented to another person.
- c. The exemption must be determined according to the following schedule:
 - (1) If the person's income is not in excess of twenty-two thousand dollars, a reduction of one hundred percent of the taxable valuation of the person's homestead up to a maximum reduction of four thousand five hundred dollars of taxable valuation.
 - (2) If the person's income is in excess of twenty-two thousand dollars and not in excess of twenty-six thousand dollars, a reduction of eighty percent of the taxable valuation of the person's homestead up to a maximum reduction of three thousand six hundred dollars of taxable valuation.
 - (3) If the person's income is in excess of twenty-six thousand dollars and not in excess of thirty thousand dollars, a reduction of sixty percent of the taxable valuation of the person's homestead up to a maximum reduction of two thousand seven hundred dollars of taxable valuation.
 - (4) If the person's income is in excess of thirty thousand dollars and not in excess of thirty-four thousand dollars, a reduction of forty percent of the taxable valuation of the person's homestead up to a maximum reduction of one thousand eight hundred dollars of taxable valuation.

- (5) If the person's income is in excess of thirty-four thousand dollars and not in excess of thirty-eight thousand dollars, a reduction of twenty percent of the taxable valuation of the person's homestead up to a maximum reduction of nine hundred dollars of taxable valuation.
 - (6) If the person's income is in excess of thirty-eight thousand dollars and not in excess of forty-two thousand dollars, a reduction of ten percent of the taxable valuation of the person's homestead up to a maximum reduction of four hundred fifty dollars of taxable valuation.
- d. Persons residing together, as spouses or when one or more is a dependent of another, are entitled to only one exemption between or among them under this subsection. Persons residing together, who are not spouses or dependents, who are coowners of the property are each entitled to a percentage of a full exemption under this subsection equal to their ownership interests in the property.
 - e. This subsection does not reduce the liability of any person for special assessments levied upon any property.
 - f. Any person claiming the exemption under this subsection shall sign a verified statement of facts establishing the person's eligibility.
 - g. A person is ineligible for the exemption under this subsection if the value of the assets of the person and any dependent residing with the person exceeds five hundred thousand dollars, including the value of any assets divested within the last three years.
 - h. The assessor shall attach the statement filed under subdivision f to the assessment sheet and shall show the reduction on the assessment sheet.
 - i. An exemption under this subsection terminates at the end of the taxable year of the death of the applicant."

Page 7, line 21, after the period insert "Section 12 of this Act is effective for taxable years after December 31, 2012."

Renumber accordingly