

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1013

That the Senate recede from its amendments as printed on pages 1556 and 1557 of the House Journal and pages 1324 and 1325 of the Senate Journal and that Engrossed House Bill No. 1013 be amended as follows:

Page 1, line 2, remove "to create and enact a new subdivision to subsection 1 of section"

Page 1, remove lines 3 and 4

Page 1, line 5, replace "Code, relating to the investments of the board of university and school lands;" with "to create and enact a new section to chapter 15-02 of the North Dakota Century Code; relating to investment reports;"

Page 1, line 8, after the first semicolon insert "and"

Page 1, line 8, remove "; and to provide a contingent effective date"

Page 1, replace lines 18 through 22 with:

"Salaries and wages	\$6,005,550	(\$280,171)	\$5,725,379
Operating expenses	1,775,723	857,299	2,633,022
Grants	0	2,000,000	2,000,000
Contingencies	<u>100,000</u>	<u>0</u>	<u>100,000</u>
Total special funds	\$7,881,273	\$2,577,128	\$10,458,401"

Page 2, replace lines 6 through 11 with:

"Information technology replacement project	\$3,600,000	\$0
Airport grants	40,000,000	0
Mineral revenue repayments	187,000,000	0
Oil and gas impact grants	0	2,000,000
Mineral valuation study	<u>0</u>	<u>350,000</u>
Total special funds	\$230,600,000	\$2,350,000"

Page 3, line 6, replace "\$4,000,000" with "\$2,000,000"

Page 3, replace lines 12 through 21 with:

"SECTION 6. A new section to chapter 15-02 of the North Dakota Century Code is created and enacted as follows:

Investment reports - Report to budget section.

The commissioner shall prepare annual reports on the investment performance of each fund under its control. The reports must be comparable to the reports prepared by the state investment board under section 21-10-06.1. The reports must identify the expenses deducted from each fund, including details on investment management fees, advisory fees, transaction fees, the agency's expenses attributed to the fund, and any other costs. The commissioner shall report at least annually to the budget section on the status of its investment performance."

Page 3, line 24, replace "\$4,000,000" with "\$2,000,000"

Page 4, line 11, remove "- CONTINGENT EFFECTIVE DATE"

Page 4, line 11, remove "Sections 6 and 7 of"

Page 4, remove lines 12 through 14

Page 4, line 15, remove "to the state investment board."

Page 4, line 15, replace "8" with "7"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1013 - Department of Trust Lands - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$6,005,550	\$5,705,584	\$19,795	\$5,725,379	\$5,725,379	
Operating expenses	1,775,723	2,203,680	429,342	2,633,022	2,633,022	
Grants		4,000,000	(2,000,000)	2,000,000	4,000,000	(\$2,000,000)
Contingencies	100,000	100,000		100,000	100,000	
Total all funds	\$7,881,273	\$12,009,264	(\$1,550,863)	\$10,458,401	\$12,458,401	(\$2,000,000)
Less estimated income	7,881,273	12,009,264	(1,550,863)	10,458,401	12,458,401	(2,000,000)
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	31.00	28.00	0.00	28.00	28.00	0.00

Department 226 - Department of Trust Lands - Detail of Conference Committee Changes

	Adjusts Funding for Salary Increases ¹	Adds FTE Positions ²	Adjusts Funding and FTE Positions for IT Unification ³	Reduces Funding for Grants ⁴	Total Conference Committee Changes
Salaries and wages	\$13,906	\$371,822	(\$365,933)		\$19,795
Operating expenses		43,670	385,672		429,342
Grants				(\$2,000,000)	(2,000,000)
Contingencies					
Total all funds	\$13,906	\$415,492	\$19,739	(\$2,000,000)	(\$1,550,863)
Less estimated income	13,906	415,492	19,739	(2,000,000)	(1,550,863)
General fund	\$0	\$0	\$0	\$0	\$0
FTE	0.00	2.00	(2.00)	0.00	0.00

¹ Funding is adjusted to provide employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and a 2.5 percent salary increase on July 1, 2020. The House provided funding for salary increases of 2 percent on July 1, 2019, and 2 percent on July 1, 2020.

² Funding is added for 2 FTE positions, including an administrative assistant (\$123,361) and an attorney (\$248,461), and related operating expenses (\$43,670). Pursuant to the provisions of North Dakota Century Code Section 54-12-09, the attorney position is assigned to the agency under appointment by the Attorney General. The Senate included the FTE positions, but the House did not.

³ Two FTE positions are transferred to the Information Technology Department for the information technology unification project, reducing salaries and wages by \$365,933 and increasing operating expenses by \$385,672. The Senate included the information technology unification project, but the House did not.

⁴ One-time funding for grants from the oil and gas impact grant fund is reduced by \$2 million, from \$4 million to \$2 million. This funding is in addition to the estimated \$1 million of funding available from prior bienniums and authorized to continue in the 2019-21 biennium. The related transfer from the strategic investment and improvements fund is also reduced. Both the House and the Senate provided \$4 million for grants.

This amendment:

- Reduces the transfer from the strategic investment and improvements fund to the oil and gas impact grant fund by \$2 million, from \$4 million to \$2 million. The House and the Senate transferred \$4 million.
- Does not include two sections, which were added by the House, to provide the statutory changes necessary to require the Board of University and School Lands to make investments through the State Investment Board. A contingent effective date relating to the statutory changes was not included.
- Creates a new section to Chapter 15-02 requiring the Commissioner of University and School Lands to prepare investment reports in a manner similar to the State Investment Board's reports and to report to the Budget Section semiannually. Neither the House nor the Senate included this reporting provision.