

**Public Service Commission
Budget No. 408
House Bill No. 1008**

	FTE Positions	General Fund	Other Funds	Total
2017-19 legislative appropriations	45.00	\$6,630,762	\$12,421,016	\$19,051,778
2017-19 base budget	46.00	7,175,827	13,964,575	21,140,402
Legislative increase (decrease) to base budget	(1.00)	(\$545,065)	(\$1,543,559)	(\$2,088,624)

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2017-19 legislative appropriations	\$6,630,762	\$0	\$6,630,762
2015-17 adjusted legislative appropriations	7,175,827	239,624	7,415,451
2017-19 legislative increase (decrease) to 2015-17 adjusted appropriations	(\$545,065)	(\$239,624)	(\$784,689)
Percentage increase (decrease) to 2015-17 adjusted appropriations	(7.6%)	(100.0%)	(10.6%)

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The Legislative Assembly did not include funding for employee salary increases.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Adjusted funding for base payroll changes for cost-to-continue 2015-17 biennium salaries and benefit increases and for other base payroll changes.		\$40,366	(\$61,419)	(\$21,053)
Added funding for employee health insurance premiums to reflect a revised premium rate of \$1,240.83 per month.		70,945	45,864	116,809
Removed 2 undesignated FTE positions.	(2.00)	(286,240)		(286,240)
Added funding to convert a temporary railroad inspector to an FTE position.	1.00		35,996	35,996
Reduced salaries and wages in anticipation of savings from vacant positions and employee turnover.		(250,000)		(250,000)

Reduced federal funds spending authority due to an expected reduction in federal funds for the 2017-19 biennium.		(2,000,000)	(2,000,000)
Reduced funding for operating expenses.	(47,736)		(47,736)
Reduced funding for capital assets to provide a total of \$10,000.	(16,400)		(16,400)
Removed funding from the general fund for specialized legal services.	(56,000)		(56,000)
Added one-time funding from federal funds (\$336,000) and the strategic investment and improvements fund (\$100,000) for specialized legal services.		436,000	436,000
Total	<u>(1.00)</u>	<u>(\$545,065)</u>	<u>(\$1,543,559)</u>

FTE Changes

The Legislative Assembly approved 45 FTE positions for the Public Service Commission for the 2017-19 biennium, a decrease of 1 FTE position from the 2015-17 biennium authorized level of 46 FTE positions. The Legislative Assembly removed 2 undesignedated FTE positions and converted 1 temporary railroad inspector position to an FTE position.

One-Time Funding

The Legislative Assembly identified one-time funding of \$436,000, which includes \$336,000 from federal funds and \$100,000 from the strategic investment and improvements fund, for specialized legal services for the 2017-19 biennium.

Railroad Safety Pilot Program

The 2015 Legislative Assembly in Senate Bill No. 2008 created the railroad safety pilot program which provided funding of \$523,345 from the rail safety fund for 1 FTE railroad safety inspector position to inspect railroad track and 1 temporary employee for a rail safety program for the 2015-17 biennium with the intent to continue the program into the 2017-19 biennium. The 2015 Legislative Assembly created the rail safety fund in Senate Bill No. 2008, which receives revenue from special fuels excise taxes collected on sales of diesel fuel to railroads under North Dakota Century Code Section 57-43.2-03 of up to \$275,000 per year, through June 30, 2019. The 2017 Legislative Assembly provided funding of \$567,109 from the rail safety fund and converted the 1 temporary employee to an FTE position, and increased the revenues from special fuels excise taxes collected on sales of diesel fuel to a railroad from \$275,000 per year to \$285,000 per year, through June 30, 2019, for the railroad safety pilot program for the 2017-19 biennium.

Other Sections in House Bill No. 1008

Health insurance increase - Section 2 identifies the amount of funding included in the agency budget for state employee health insurance premium rate increases during the 2017-19 biennium.

Rail rate complaint case funding - Section 4 provides for a transfer of up to \$900,000 from the Bank of North Dakota beginning farmer revolving loan fund to the Public Service Commission to pay for costs associated with a rail rate complaint case. If any amount is spent, the Public Service Commission is to reimburse the beginning farmer revolving loan fund using amounts from damages or proceeds received, net of legal fees, from a successful outcome of a rail rate complaint case.

Estimated income - Strategic investment and improvements fund - Section 5 identifies \$100,000 of the estimated income line item is from the strategic investment and improvements fund for specialized legal service costs during the 2017-19 biennium.

Special fuels excise taxes - Section 6 amends Section 57-43.2-19 to increase the deposit of special fuels excise taxes collected on sales of diesel fuel to a railroad under Section 57-43.2-03 from up to \$275,000 per year to up to \$285,000 per year into the rail safety fund through June 30, 2019.

Legislative Management study - Impact of wind energy - Section 7 provides for a Legislative Management study regarding the impact of wind energy development.

Related Legislation

House Bill No. 1125 - Repeals Chapter 60-03 relating to licensing of hay buyers and declares an emergency.

House Bill No. 1126 - Amends several sections in Title 60 relating to public warehouse and grain buyer licensing and insolvencies of public warehouses and grain buyers. The bill also repeals two sections in Title 60 relating to warehouse closures.

Senate Bill No. 2286 - Amends Sections 49-22-03, 49-22-14.1, and 49-22-16(2) relating to energy conversion and transmission facility siting to require that the Public Service Commission cooperate with political subdivisions potentially impacted. The bill also provides for a Legislative Management study regarding the consideration of local zoning ordinances and zoning provisions during the application and public hearing process.

Senate Bill No. 2313 - Creates a new section in Chapter 4-01 relating to the Agriculture Commissioner establishing a wind energy restoration and reclamation oversight program.