

2011 SENATE APPROPRIATIONS

SB 2015

2011 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee Harvest Room, State Capitol

SB 2015
January 21, 2011
Job # 13194

Conference Committee

Committee Clerk Signature

A. R. Hamaker for Alice DeLuz

Explanation or reason for introduction of bill/resolution:

An Appropriation for the Department of Office of Management and Budget

Minutes:

See attached testimony

Chairman Holmberg called the committee to order on SB 2015 at 8:30 am. Roll call was taken. All committee members were present. Brady Larson, Legislative Council and Lori Laschkewitsch, OMB were also present.

Pam Sharp, Director of OMB testified in favor of SB 2015. (Attachment 1)

Senator Christmann: We are somewhere over \$340 million that we think that the property tax relief costs this biennium with valuations continuing to go up, why do we think that \$342 million will be enough next biennium?

Pam Sharp, Director of OMB: At this point we don't know how much the valuations have gone up or will go up. This is holding and even. We think there will need to be a discussion on what those valuation increases are at that time, but this provides the base amount and it's for the 13-15 biennium so it is going out there quite a ways. It would be hard to know what the valuations will increase to by that time.

Chairman Holmberg: As this number continues to grow, do you see policy decisions having to be made in the near future as to, how do we control the growth of this number, at what point does it become a driving force for the entire budget?

Pam Sharp, Director of OMB: Currently valuations are going up 7% a year, it won't take very long until that number gets up to ½ billion dollars a biennium.

Chairman Holmberg: Will we have some fallout from the events of Tuesday, (power outage) regarding the IT system?

Pam Sharp, Director of OMB: Now we know exactly what happened, we want to make sure that doesn't happen again. (power outage)

Chairman Holmberg asked if that will be jelled before the session is over he was told yes. Testimony continued.

Senator Christmann: Where is the unemployment thing?

Pam Sharp, Director of OMB: It is a fund within OMB, we have an appropriation authority for \$1.5 million in there, agencies are charged a small percent and when we get to that \$1.5 million cap I don't think we even charge them anymore. Whenever anyone files for unemployment and it is legitimately due unemployment, it comes out of this fund. It's special fund money it is not general fund.

Senator Christmann asked if this could be discussed in the subcommittee and he was told yes.

John Boyle, Director of Facility Management Division of OMB testified in favor of SB 2015. (Page 6 of attachment 1)

Chairman Holmberg: When you talk about the driveway, are you talking about the underground driveway in front of the capitol? **John Boyle:** Yes. **Chairman Holmberg:** Are our steps still leaking? **John Boyle:** That problem has been resolved. We are doing a 15 phase restoration project for all the capital. The monumental steps project is probably about 3 phases from now. In phase one we are just going to enclose that tunnel, but if there are any remaining leaks those will all be addressed at that time, but we have not had that issue for a couple of years now.

Chairman Holmberg: Could you briefly tell them about the trust fund, where it comes from, how much is there, etc.

John Boyle, Director of Facility Management Division of OMB: The Capital Grounds Planning Commission is actually composed of 9 members. The funds that they receive to operate, every biennium they have a \$100,000 recurring appropriation that they can just spend on anything. This current biennium we used the \$100,000 along with some general fund money that we were appropriated to redo all the panels at the All Veterans Memorial to get those all spelled correctly and adding, and basically restoring that memorial. Anything over that \$100,000 we have to come to the Legislature to get approval to spend. Way back in 1889 there was land set aside into this Capital Building Trust Fund and any of the revenue from that land through ground rent, right now we are receiving quite a bit of money through a lease that was signed. I think it was \$900,000 that went into the fund. At the end of this biennium we will have a little over \$3.1 million in that fund.

Chairman Holmberg: The projects you do are separate from the projects that the legislature does.

John Boyle, Director of Facility Management Division of OMB: That is correct, since it is all is general fund money, the legislature takes care of all the hearing rooms, and anything in the legislative wing. We take care of the rest of the capitol.

Chairman Holmberg: On the black marble upstairs how far can the cleaners reach?

John Boyle, Director of Facility Management Division of OMB: We did restore the marble; our poles only go so high. I don't think you can tell though.

Senator Robinson: It's exciting the improvements that are planned. Where are we in terms of our planning, in terms of our cafeteria? During the interim, not only during the session, the layout leads a lot to be desired. I don't know what could be done, but it seems to be that there are people that could tell us what the most efficient layout for that square footage would be. Is that in the planning stages?

John Boyle, Director of Facility Management Division of OMB: That is included in the cafeteria corridor project. It hasn't been touched since 1985. We would like to work with the operator to make sure that things move more efficiently, the seating area, things like that. We'd like to bring in color; you've seen on campuses what they have done with their food court areas, and all that would be implemented. It's in very early planning stages.

Senator Warner: Repairing the tower, use of petroleum based caulk had damaged some of the limestone. I understand your plan is to replace with mortar, is some of the damage that's been done to limestone a permanent thing?

John Boyle, Director of Facility Management Division of OMB: In some areas it is permanent so we will actually have to go out and get new limestone panels. When you look at the capital if you focus on 1 panel, you will see a halo around the panel, when you use petroleum based caulk that petroleum works its way into those panels and that's what causes that halo. It's then difficult to get something to attach because the petroleum is there. We may have to widen the gap to get something to actually adhere to those panels. We won't replace every single panel, but we are hoping by cleaning the limestone that will take care of a lot of it as well.

Senator Warner: Do we have access to the original quarry? **John Boyle:** The quarry is still operating, so we will get the same.

Chairman Holmberg: They were replacing the outside of Odegaard Hall at UND, which is relatively a new building, are you familiar with that project? **John Boyle:** No. **Chairman Holmberg:** None of the architects who designed this capital are still in business. **John Boyle:** That is correct. The folks that we brought in to do our analysis are based out of Chicago and all they work on is high-rise buildings. He continued testimony on page 7 and handed out attachment 2.

Chairman Holmberg: From memory standpoint, did we move out of that facility where the Attorney General was up by Walmart, when the crime lab went online, or do we still utilize that building? **John Boyle:** BCI is still in that building. **Chairman Holmberg:** Any further discussion on buying that building? We were in favor of that a couple of sessions ago.

John Boyle, Director of Facility Management Division of OMB: At that time that building was for sale for \$2.2 million, they came and asked what we thought in OMB; the price we calculated should be \$1.6 million, 4 years went by, the building sold for \$1.6 million. The

reason we did not recommend buying that building is because that lease is one of the best we have in the state.

Senator Robinson: Would it be possible to add another column to this report that would reflect any rate rental increases, this is effective through June 30, could we have that new information.

John Boyle, Director of Facility Management Division of OMB: Each agency negotiates their own lease; we do have a copy of all the leases. We would lock in rates, up front, and those usually go up 4% a biennium. So until we get the new lease, we don't know what they are.

Senator Christmann: Having served on both Legislative Procedures and Arrangements and Capital Grounds Planning, John is understating the work he did, he did a great job of recognizing legislative authority and really did a nice job. The heritage center project, refresh me on the status of you supervising that. I recall that comes to an end, without legislation you are no longer manager of that.

John Boyle, Director of Facility Management Division of OMB: You are correct. Last session, HB 1481 gave the appropriation and authority to go ahead and do the Heritage Center expansion. One of those sections said that the Director of Facility Management will be the project manager for that project, but it was only through June 30, 2011. So we will go forward with this project, the bids are less than what we estimated, the Historical Society would like us to continue to manage the project, we don't have any legislative authority to manage the project. Because it was once given, I don't know if needs to be given again, or extended.

Chairman Holmberg: Would that be in OMB budget, or management of Historical Society?

John Boyle, Director of Facility Management Division of OMB: It was a separate bill. The budget analyst has drafted something that is going in Historical Society budget.

Chairman Holmberg: Senator Krebsbach is on that so that you are alerted to that. We should continue to have that management. **John Boyle:** Yes.

Senator Christmann: How are the bids coming in, I had asked the heritage center people, we put in enough money to complete the project, is there potential savings there?

John Boyle, Director of Facility Management Division of OMB: The way the bill was written, there always has been separated out the actual building and then exhibits, \$46 million for bricks, mortar, etc, and then \$5.7 million in exhibits, and those exhibits were actually for the gallery spaces. In that bill it said that \$39.7 million would be general fund, \$12 million would be special fund, and we carried over \$629,000 from money that was appropriated in 2007-2009 for schematic design. So if the Historical Society Foundation raises all the money, which will net \$12 million, yes, there would be some general fund money left over. HB 1481 does not specify which money gets spent first, that money will be used for the building. We have a contingency in there for \$3.5 million. Once we are out of the dirt there shouldn't be too many unknowns. I did raise the Historical Society thought

since there is some extra money lets raise it at \$2 million, so instead of \$5.7 million it's \$7.7 million. Even with all of that there is still about \$3 million left over. It even includes adding another generator for \$800,000 for their space because the capacity that they are adding would go over the capacity we have now. But again, if they don't raise all that money, you won't have that \$3 million left over. I don't know how much they have in pledges. It's more of a timing issue because when someone says they are going to pledge \$2 million they don't just give the \$2 million right away, it would be \$400,000 or \$500,000 a year for 4 or 5 years. So, as cash comes in, it would be available to go to the building, but until that happens, in the original bill we only got \$39.7 million. If we thought it was going to be \$46 million, the bill said, you have to at least have \$6 million in cash or pledges prior to even going to bid.

Senator Fischer: Where is the line drawn, 42 boards that all rent office space, when are they required to report to you?

John Boyle, Director of Facility Management Division of OMB: The problem with the list is one or two will not be one there. They are all required to report. It is hard to keep track of all the boards and commissions.

Senator Fischer: It is their responsibility to report. **John Boyle:** It is.

John Harris, President & CEO of Prairie Public Broadcasting testified in favor of SB 2015. (Attachment 3) Requesting the state consider assistance in finances to continue operating as PPB. (Prairie Public Broadcasting)

Chairman Holmberg: There is a subcommittee that will be operating and that consists of Chairman Holmberg, Senator Christmann, and Senator O'Connell.

Tag Anderson, Director of Risk Management Division testified in favor of SB 2015
Testimony attached # 1 Page 9.

Chairman Holmberg: A number of years ago, there was a highly publicized event at the state mill and elevator where a young person climbed up and fell off or jumped off, did the state end up having to pay anything on that?

Tag Anderson, Director of Risk Management Division: We did receive an incident report, expected a claim and never received one.

Senator Fischer: A bill last session dealt with indemnity, I was wondering if you advocated for political subdivisions to accept the shift of liability to the state if they are willing to accept that liability.

Tag Anderson, Director of Risk Management Division: Neither the political subdivision or state can attempt to shift liability through indemnification agreements. That was the policy decision of the legislature last session and we are following that completely. Our position has never been to try to shift the active or direct liability, whether it be a political subdivision or a private contractor but rather to only deal with those, what we call derivative claims, where by the state of North Dakota is trying to be held responsible for vicarious liability

which is liability that's simply imputed a matter of law or those derivative claims that arise based upon ascertains of a failure to supervise negligence selection.

Senator Christmann: In cases where political subdivisions get sued for something they did, recklessness, someone gets hurt or something like that, do we raise their premiums, is it the same for all the cities and counties, do we absorb more losses? How do we influence them to be as cautious as they should be?

Tag Anderson, Director of Risk Management Division: I can't speak to the manner in which the North Dakota Insurance Reserve fund addresses loss history from political subdivisions. I can address how the state deals with it. There base amount is largely determined by the FTE's and vehicle count. That then is adjusted based of their loss history. It is designed to tell an agency of higher rate of loss that they are in the future required to pay more in contributions.

Senator Kilzer: It's been several biennium ago that sovereign immunity was lost, what are the amounts that are paid out? Are they larger? Is that the only source available to pay claims and is it enough?

Tag Anderson, Director of Risk Management Division: When sovereign immunity was first lost pursuant to the North Dakota Supreme Court, there was uncertainty as to what would happen. It is my belief that a lot of the fears were unfounded. The state of North Dakota's loss history is extremely good, insurance pools, the amount we pay for FTE and vehicle is extraordinarily low, good employees, proactive loss control, it has to do with the culture of North Dakota. The dollar amount is spent for salaries and other operating dollars for the Risk Management Division itself.

Senator Kilzer: Will there be turn back or carryover?

Tag Anderson, Director of Risk Management Division: I would have to defer to Eileen. We have continuing appropriation; the authority given to spend is not all being spent.

Chairman Holmberg close the hearing temporarily.

2011 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee
Harvest Room, State Capitol

SB 2015
January 25, 2011
Job # 13335

Conference Committee

Committee Clerk Signature

A. Rittmiller for Alice Delzer

Explanation or reason for introduction of bill/resolution:

An Appropriation for the Department of Office of Management and Budget

Minutes:

Chairman Holmberg called the committee back to order on SB 2015. All committee members were present. Roxanne Woeste, Legislative Council and Lori Laschkewitsch, OMB were also present

Chairman Holmberg: There are a few sections of the bill that we did not cover the other day.

Pam Sharp, OMB Director: I want to clarify the unemployment premium line. The unemployment premiums from the state wide payroll go into a special fund. Higher Education does the same thing; they send premiums on quarterly basis. These premiums are not remitted to Job Service as they are collected because the state of North Dakota is on a reimbursement basis for unemployment compensation. If anyone from Higher Education or a state employee is eligible for unemployment benefits, Job Service pays those benefits and then they bill the OMB, the biennium appropriation is carried every biennium. It is the pool of money for the state unemployment benefits.

Senator Christmann: How does it work, we appropriate that much money or do the agencies each pay a little of that amount for each employee?

Pam Sharp, OMB Director: Each agency pays up to a cap of \$60 per employee per year.

Senator Christmann: Those ones that have higher layoffs, do they pay more?

Pam Sharp, OMB Director: It's a percentage of salary with a cap at \$60 per year.

Senator Christmann: Do other political subdivisions work in the same manner?

Pam Sharp, OMB Director: They could have pools, I don't know. It's not through OMB though.

Senator O'Connell: Basically self insured?

Pam Sharp, OMB Director: There are no costs to Job Service for doing paperwork.

Sherry Neas, Director of Central Service Division of OMB testified in favor of SB 2015.
(Testimony #1 page 15)

Senator Warner: In a lot of agencies we see a line item of long term items, printers, or computers; does your office negotiate contracts for the agencies?

Sherry Neas, Director of Central Service Division of OMB: OMB develops procurement requirements. State agencies have authority to purchase goods and services that are unique to their agency. They have to get 1-3 quotes based on the situation. Agencies would be able to purchase things using the OMB guidelines.

Chairman Holmberg: Central Services are they the ones, as far as the computers that are utilized, or is it ITD that does the HP computers we use, who does that? Is it your agency, or is that someone else?

Sherry Neas, Director of Central Service Division of OMB: OMB and ITD collaborate on state term contracts for information technology equipment so a lot of them are OMB in coordination with ITD. ITD establishes the standards; OMB does the contracts based on those standards.

Chairman Holmberg: Does that determine if we are going to have an HP or can an agency buy a Dell or some other product?

Sherry Neas, Director of Central Service Division of OMB: The current state term contract has several brands. We get specialized or deeper discounts, but you could get the same specs, we have those specs and we know what each spec costs from the respective entities so it has been opened up to multiple brands.

Chairman Holmberg: If an agency is buying iPads, is that through you or are they doing that on their own? **Sherry Neas:** That would be available under the state term contract.

Sherry Neas, Director of Central Service Division of OMB: There is no standard configs for iPads yet. That was something that was amended into the contract to make sure that was available under those offerings.

Laurie Steriotti Hammeren, Director of Human Resource Management Services for OMB testified in favor of SB 2015. (Testimony 1 pages 11-13)

Senator Christmann: A few times I've had people tell me their son, daughter, relative, left employment with the state, had been in this agency 3 or 4 years, was still classified as temporary, not getting benefits, others for even longer periods yet, and were still classified as temporary, how does that happen in various agencies and how frequent is it?

Laurie Sterioti Hammeren, Director of Human Resource Management Services for OMB: It does happen, they often have to hire temporaries to fill in, and often times those temps stay. My concern is if they are long term temps, they are working side by side a regular employee and not earning the same level of benefits.

Senator Christmann: I am not talking about someone filling in a weekend shift; I'm talking about full time regular day in day out employees. Do we need some kind of a cap on how long an agency can employ a temp? If we think an agency has x number of FTE's, I go home kind of expecting that is how many people we are going to be paying. Then suddenly we have some that are kind of off the books in a way. It's not fair to the employee but it's not fair to us if we are not recognizing those positions.

Laurie Sterioti Hammeren, Director of Human Resource Management Services for OMB: I don't have a good answer for that. I think of emergency management services where we do have critical situations arise. I'm not sure how they would manage those without having temporary workers.

Senator Christmann: Would it be an enormous task for you to provide the various agencies and how many temps they have that has been in their position for more than a year? Is that something that is dividable out of the computer systems?

Laurie Sterioti Hammeren, Director of Human Resource Management Services for OMB: Yes, we would be glad to do that.

Senator Krebsbach: You state that the Hay Group will be completed by March in the survey, yet you anticipate having the recommendations done by April. Would they be inclusive of the March report?

Laurie Sterioti Hammeren, Director of Human Resource Management Services for OMB: That's my understanding. I know it's a very short time frame, but Hay has told the committee that they would do that.

Senator Wardner: In corrections we have several FTE's coming on, were they temps and have been working there full time in reality but we are bringing them on? Is that the case there?

Laurie Sterioti Hammeren, Director of Human Resource Management Services for OMB: I'm not positive. They maintain some temps and they have turnover in staff.

Ken Purdy, Classification and Compensation Manager with HRMS: Corrections does operate a little differently with a pool of temps that enables them to fill regular positions quickly and effectively when they have turnover. Those temps are constantly moving into regular positions.

Senator Wardner: Is the new construction going to demand more employees? **Ken Purdy:** My understanding is that is the basis for the additional positions. They will still probably use that temporary pool as a recruiting tool; it lets them have that group of employees ready to step in to regular positions and gives them in essence a final screening step.

Pam Sharp, OMB Director: Relative to the Department of Corrections, the new FTE's is for the new facility. To staff that, it is arranged in a much different way; they need round the clock staff.

Sheila Peterson, Director of the Fiscal Management Division of OMB testified in favor of SB 2015. (Testimony #1 page 17) She stated she is very pleased the way the legislators have handled the federal stimulus dollars.

Senator Robinson: During your testimony last week you briefly referenced the power outage, to make those improvements; will those figures be available before this bill leaves this committee at crossover? We are still getting questions on what exactly happened. Maybe it would be beneficial to have a statement so we are on the same page.

Pam Sharp, OMB Director: I do believe we will have some information to you before crossover.

John Boyle, Director of Facility Management of OMB: What occurred Tuesday morning, there is a transformer located by the loading dock that feeds all the power into the judicial wing. There was a failure in that transformer; one of the elbows blew out. What MDU is saying is it's kind of a manufacturer defect, its two metals, one aluminum and one copper, is where it separated, one went out, it blew out another one. Once that occurred, it sends a signal up at the substation that says hey, somewhere downstream there is an issue. Up at the substation there are 6 breakers, one for each of the buildings that it serves, and then one for the main that shuts off everything. The J wing breaker did not open so the main opened so the power went out everywhere. Our 2 electricians responded immediately, went up there, heard on the radios that it was this transformer that blew and then manually shifted the power. The generators didn't kick on because there is intelligence at the substation. They are not going to send power where they know there is a failure. The substation responded exactly the way it was suppose to, the generators responded exactly the way it was suppose to. What we had to do is go up there and close that breaker and reopen all the others. That's why this building had power within 25 minutes. Unfortunately the UPS system in the J wing only lasts about 30 minutes. Because that one transformer where all the power goes through to the J wing, until we got that up and running which was about 6pm, with the help of MDU, then it took another 2 ½-3 hours for ITD to get everything up and running.

Vice Chairman Grindberg: It was a manufacture defect in the transformer. **John Boyle:** A 30 year old transformer.

Vice Chairman Grindberg: What is Ulteig doing? Why are spending the money if it's a manufacturer defect?

John Boyle, Director of Facility Management of OMB: What we are doing now is determining solutions so that what happened on Tuesday won't happen again. Ulteig is being hired just to figure out what those solutions are. There are all kinds of issues that we have learned about. We knew that transformer was the weak link in everything. There are 2 or 3 options. We have put estimates on those options. The reason Ulteig was chosen is because they are the most familiar with all the electrical on this campus. We are paying them for their expertise.

Chairman Holmberg: Anyone else to testify on SB 2015 today?

Senator Christmann: We sort of switched gears getting into the Tuesday thing, talking about employee compensation, in your discussions with other people, with our two year budget cycle, we put ourselves in a predicament, everything is annualized, if you decide to hold your budget even, on an annual, we come in on a two year budget, we increase in the middle of it, we get to the end, and people expect that inflation is x so government should grow by x , but we actually have to grow by more than x just to stay even. What do we do about that?

Pam Sharp, OMB Director: When you are here in session and authorize programs or additional FTE's, it is going to take time to get the individuals hired, and get the programs up and running. If you would be back before we got it into place, that long term prospective has some real positives. Does that cause concerns, it may but I think our state agencies do a great job, but to maintain that dollar amount to stay even is larger than you would see in an annual budget.

Senator Christmann: I like the two year budget, has anyone experimented with these types of budget lines, that holds for two years, so the next biennium will cost the same?

Pam Sharp, OMB Director: Not that I am aware of. Even the two year budget, ND is very unique we have a true 24 month budget. I do know most other states do not deal with employees salaries to the level of detail we do in ND. They have more of what is called personnel services, they don't look to the cost drivers, and benefits, they just add a percentage and say here is your pot of money. I am not aware of any other state that focuses on FTE like we do. We have much more detail in our budget than other states do. They may just add a percent. It is a pool.

Chairman Holmberg: The question that Senator Christmann asked is asked a lot. We have to hold even budget, the legislators have to dance a lot when hold even means an additional \$200 or \$300 million in money because of what Senator Christmann just pointed out. So I think one of the things of this session we certainly will look at is how do we have transparency in what our budget is this time and by passing our budget this time, what have we already committed that we have control over? We can't control the feds, but how do we get a handle on that so that when we go home we know, yes, we spent \$5 billion and a hold even budget next time is going to be \$5.2 billion.

Pam Sharp, OMB Director: I think that if hold even budgets were like the \$5 billion, but there are some things that agencies have to fund then we have to look at actual affect on an agency. Hold even to cover those costs to continue or its hold even and agencies are expected to come up with how to pay those inflationary things without getting an extra dollar.

Chairman Holmberg: There will be continued dialogue and discussion during this session as we advance through these budgets.

Senator Warner: Based on University System we classify faculty as no broadband employees and broadband employees, do you have any idea what that means?

Ken Purdy, Classification and Compensation Manager with HRMS: I think I can give you a general description of that but you may need to ask Higher Ed for more detail. I believe the non broadband are some of the support technical and trades and administrative type jobs, broadband is up into the professional and higher level ranks in the University System, and of course faculty is obvious.

Gary Feist, President of Public Employees Association testified in favor of SB 2015. (Testimony #4)

Vice Chairman Bowman: When you say closer to the market, are you referring to SD, MN, CA, if you are bankrupt wouldn't you rather have a decent job than no job? We've tried to do the best we can, let's compare to other states; it is not a fair evaluation because you don't know the finances of the other states. I think some of those people would be happy to have a job that's closer to our market and still be employed.

Gary Feist, President of Public Employees Association: The salary of the market, comparing ND jobs, within the region, and the country, even when we compare jobs in ND, state employees are being constantly taken by other employers. What kind of cost does the state incur by constantly hiring and training employees to be taken by another government agency or the private sector?

Vice Chairman Bowman: People where I come from would love to have the package the state provides.

Gary Feist, President of Public Employees Association: I think a lot of employees agree, by comparing our salaries to like size employers, there is a difference, comparing our job titles to even MDU or Basin Electric, there are significant differences which creates those entities from continually hiring away state employees.

Senator Robinson: I will make a quick comment, what we have done the last few years, I've been at my place of work for a long time and over the years it has been frustrating not only for our institution, but many institutions that we would have openings, and job searches and it was not uncommon to have no applications for the position. Then we went to a time period where we had applications but the quality of the applicants was such that we would close the search and reopen it. The last biennium based on what we've done, and based on what's happening in other states, we've been in a much better competitive position in terms

of attracting quality folks to our state and I know at least one researcher at North Dakota State not only brought tremendous ability on his own part but he's going to bring research dollars to North Dakota. It's a fine line, and I hear the same stories, that state employees are making all this money, and there are some positions that do fairly well. Without the benefit package we would be in a whole new ball game very quickly in terms of our competitive edge. We need to constantly review and evaluate our compensation package. I know what you are saying about some positions in the private sector. It was depressing to have an opening, no applications, you had to go through that 2 and 3 times. That sent a powerful message. We've moved away from that for the most part. You want to hire your best and brightest. It is a balancing act but it is an important act. We need to be sensitive with the state employee workforce. It is important to our state and I think we are fortunate to have a quality workforce, we see it here daily. You get what you pay for, you sell and get more.

Chairman Holmberg: I have one question on the chart. (yellow) I understand what you did on this side of the chart with the employees and then you added in the University System head count. Then over on this side you say, in the ND general work force, is general workforce the 7,141 folks? I don't understand the word general workforce.

Ken Purdy, Classification and Compensation Manager with HRMS: That is statewide, public, and private. That is data from the data center at NDSU and has overall numbers on statewide workforce.

Ken Purdy, Classification and Compensation Manager with HRMS: The Hay group is at the direction of the committee and is taking that further and they are conducting a survey from employers all over the state, the varied occupations the state has to employ, we have to measure against the best and biggest organizations. It will more precisely match up many of our jobs to the market and be less general than we have done over the years.

Senator Christmann: Are all people who work in the Governor's Office and Legislative Council nonclassified or are there some classified people?

Ken Purdy, Classification and Compensation Manager with HRMS: Those are all unclassified.

Chairman Holmberg closed the hearing.

2011 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee Harvest Room, State Capitol

SB 2015

February 22, 2011

Job # 14795 (Meter starting at 3:30)

Job # 14797 (Meter starting at 42:00)

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

This is a committee vote for an appropriation on the various divisions under the supervision of the director of the office of management and budget.

Minutes:

You may make reference to "attached testimony."

Chairman Holmberg called the committee hearing to order.

Chairman Holmberg handed out amendment 11.8138.01001 and said the changes in the amendment have been discussed in subcommittee or full committee over the past weeks. This amendment does not change the dollar amounts, it just removes less than \$6M of cost to continue from the next biennium from \$8m in the Governor's Executive Budget. The cost to continue now would be about \$2.5 M or \$2.7.

Brady Larson, Legislative Council explained the amendments.

Vote #1

Senator O'Connell moved Do Pass amendment .01001.

Senator Wardner seconded.

A Roll Call vote was taken. Yea 13: Nay: 0 Absent: 0

Vote # 2

Senator Warner moved Do Pass as amended on SB 2015

Senator Grindberg seconded.

A Roll Call vote was taken. Yea: 13 Nay: 0 Absent: 0

Senator Holmberg carry the bill.

Chairman Holmberg later told the committee that there were a couple things in the bill that were transposed and what the committee passed was not what was described to the committee. **Allen Knudson** and **Brady Larson** are upstairs now correcting it and should be here by the time the committee finishes. The difference was that it didn't clearly lay out that the money that was going to be used in an emergency situation to take care of the generator was money that was going to be spent now and was money they already have in their budget for this year. They assumed it was going to be next year. They are re-doing it so they can spend the money now.

(Meter 42:00)

Chairman Holmberg said there is no change in the concept and we can just attach this amendment.

Brady Larson said this amendment is simpler than the last one. Instead of taking out funding and adding funding, it just adds a simple \$1M for parking lot repairs and adds money for the Prairie Public Broadcasting project. Otherwise, everything else is the same as the last amendment.

Reconsider the bill –

Vote # 3

Senator Robinson reconsider bill SB 2015

Senator Grindberg seconded.

Voice unanimous vote.

Vote # 4

Senator Krebsbach remove amendment .01001 and adopt amendment 11.8138.01002

Senator Robinson seconded.

A Roll Call vote was taken. Yea: 13 Nay: 0 Absent: 0

Vote # 5

Senator Robinson moved Do Pass as Amended on SB 2015.

Senator O'Connell seconded.

A Roll Call vote was taken. Yea: 13 Nay: 0 Absent: 0

Chairman Holmberg will carry the bill.

2011 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee
Harvest Room, State Capitol

SB 2015 OMB
BUDGET STATUS ADJUSTMENT
03-23-2011
Job # 15860

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

An Appropriation for the Department of Office of Management and Budget

Minutes:

One Attachment

Chairman Holmberg opened the hearing on SB 2015. A memo is being passed out.
Tammy Dolan and Brady Larson

Pam Sharp, Director of OMB, presented a proposed corporate Income Tax Revenue Revision and a Budget Status Adjustment. See Attachment #1. Recently we became aware of a change in federal tax law that was not taken into account in our recent revenue forecast. This federal tax change was part of the compromised legislation enacted at the very end of December. It allows businesses to immediately deduct from their federal gross income the entire cost of capital investments in machinery and equipment or expense those investments rather than gradually depreciating the cost over several years. The Bush tax cuts had allowed businesses to deduct 50% of the cost of capital investments called bonus depreciation for tax year 8 and tax year 9. We were aware that that bonus depreciation had been extended by the feds but we just recently became aware of the fact that they had doubled that bonus depreciation to allow for 100% expensing. The starting point for computing North Dakota corporate tax is federal taxable income so when that number decreases we see a fiscal impact in our revenue collections for corporations as well. Many states have actually de coupled from that bonus depreciation and those states likely have little choice because of their dire fiscal situations. North Dakota doesn't have that situation and we don't feel that de coupling from bonus depreciation would be a good option for North Dakota. We believe this extra bonus depreciation will impact our corporate income tax collections by \$46M in the 2011-2013 biennium. Since we became aware of this bonus depreciation provision and it was through a paper written by the Center of Budget and Policy Priorities we have had discussions with Moody's Economy.com and with the tax department, and the tax dept has also done some additional analysis to get the best number possible. We believe that number is \$46M. In fact that depreciation expense could actually cost more because the purpose of that bonus depreciation is to stimulate growth in the economy and we believe that will actually happen in North Dakota. There are all sorts of gas lines, pipelines and wind turbines and there's a lot of capital equipment out there. Companies are very willing to invest more in North Dakota. So the depreciation expense could actually be more but because of that investment our base will

probably grow more too. We have taken that into account in coming up with the \$46M figure. Corporate tax is the most difficult tax to forecast. There are so many factors. Had we been aware of this situation when we did our forecast in February we would have taken this into account and we would have taken this out of our corporate tax collections. We didn't know that information then; we know it now. We would be remiss not to bring it to you and our recommendation to you is to reduce corporate income tax collections by \$46M. This is totally a forecast situation. I know there are other bills out there that this may impact. We are only looking at getting the forecast right. I believe there is a bill out there, 1189, and I know the tax dept will be working on a revised fiscal note for that bill because this change would impact that.

Senator Warner: Is there a sunset date on the federal legislation or should we look forward to having the same situation carried forward in future bienniums?

Pam: In fiscal years 8 and 9 a 50% bonus depreciation was allowed. This 100% expensing is for tax years 10 and 11, and then for tax year 12 it goes back to 50%. After that it just goes back to regular depreciation. We do have that 50% in our base already. It is just the doubling of that that we had not accounted for.

Senator Warner: At that point then there would be new enabling legislation at the federal level to determine the correct rate.

Pam: As it is right now this 100% will expire at the end of 2011. The 50% will expire at the end of 2012. Economy.com does not believe it will be extended beyond that.

Senator Wanzek: From my personal experience I would say I agree with this but have you taken into account the extra sales tax that that might have generated?

Pam: Absolutely, that is true. Moody's economy.com does figure that into their macro forecast when they help us with our sales tax. Now this extra 100% would not be calculated into the macro. I think we can safely assume that there will be some extra sales tax but to quantify that would be very difficult.

Senator Christmann: You said the 100% would be through 2011, and then it will be 50% through 2012. Is that calendar years or fiscal years?

Pam: That is calendar years.

Chairman Holmberg: You have a memo before you from the legislative council. Senator Robinson moved, and V. Chair Grindberg seconded the motion to adopt the new budget status adjustment as presented. See Attachment #1.

Roll Call Vote: 12-0-0

This will be reflected tomorrow night when the budget status report comes out. Last week we were 1.4M in the hole. This will not help that but there may have been changes to other bills.

PROPOSED AMENDMENTS TO SENATE BILL NO. 2015

Page 1, line 3, after the first semicolon insert "and"

Page 1, line 3, remove "; and to declare an"

Page 1, line 4, remove "emergency"

Page 1, replace line 18 with:

"Capital assets	2,420,298	6,969,845	9,390,143"
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Page 1, replace line 20 with:

"Prairie public broadcasting	1,337,138	500,000	1,837,138"
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Page 1, replace line 23 with:

"Total all funds	\$50,937,875	(\$6,472,577)	\$44,465,298"
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Page 2, replace line 1 with:

"Total general fund	\$36,249,096	(\$2,698,259)	\$33,550,837"
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Page 2, replace line 8 with:

"Prairie public broadcasting	\$2,016,200		\$500,000"
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Page 2, replace line 13 with:

"Capitol envelope	0		1,500,000
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Capitol building mechanical and electrical repairs	0		2,300,000"
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Page 2, replace line 15 with:

"Total all funds	\$6,681,735		\$4,350,000"
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Page 2, replace line 17 with:

"Total general fund	\$4,858,100		\$4,350,000"
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Page 3, remove lines 3 through 12

Page 3, line 31, replace "three percent annual increases" with "the same percentage increase"

Page 4, line 3, replace "three" with "four"

Page 4, line 4, replace "three" with "one"

Page 4, remove lines 10 and 11

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2015 - Office of Management and Budget - Senate Action

	Executive Budget	Senate Changes	Senate Version
Salaries and wages	\$18,517,763		\$18,517,763
Operating expenses	13,765,254		13,765,254
Capital assets	8,390,143	1,000,000	9,390,143
Grants	55,000		55,000
Emergency Commission contingency fund	700,000		700,000
Prairie Public Broadcasting	1,337,138	500,000	1,837,138
State student internship program	200,000		200,000
Total all funds	\$42,965,298	\$1,500,000	\$44,465,298
Less estimated income	10,914,461	0	10,914,461
General fund	\$32,050,837	\$1,500,000	\$33,550,837
FTE	131.50	0.00	131.50

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

	Adds Funding for Capitol Building Electrical and Mechanical Improvements ¹	Reduces Funding for Capitol Building Exterior Repairs ²	Adds Funding for Prairie Public Broadcasting ³	Total Senate Changes
Salaries and wages				
Operating expenses				
Capital assets	2,300,000	(1,300,000)		1,000,000
Grants				
Emergency Commission contingency fund				
Prairie Public Broadcasting			500,000	500,000
State student internship program				
Total all funds	\$2,300,000	(\$1,300,000)	\$500,000	\$1,500,000
Less estimated income	0	0	0	0
General fund	\$2,300,000	(\$1,300,000)	\$500,000	\$1,500,000
FTE	0.00	0.00	0.00	0.00

¹ One-time funding is added for Capitol complex electrical and mechanical improvements.

² Funding included in the executive recommendation for Capitol building exterior repairs is reduced from \$2.8 million to \$1.5 million.

³ One-time funding of \$500,000 is added for the Prairie Public Broadcasting studio renovation project.

This amendment also:

- Adjusts Section 2 relating to one-time funding amounts for Capitol building electrical and mechanical upgrades, Capitol building exterior repairs, and funding for the Prairie Public Broadcasting studio renovation project.
- Removes Section 6 which transfers \$370.6 million from the permanent oil tax trust fund to the state highway fund and Section 12 providing the related emergency clause.
- Removes Section 7 which transfers \$60 million from the current earnings and undivided profits of the Bank of North Dakota to the general fund.

- Adjusts Section 11 to provide intent that funding is provided to each state agency for a 4 percent state employee salary increase on July 1, 2011, and for a 1 percent state employee salary increase on July 1, 2012. The Governor recommended a 3 percent increase for each year of the biennium. Eligibility guidelines for the salary increases are not changed.

Date: 2-22-11
Roll Call Vote # 1

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2015

Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number 11.8138.01001

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

Motion Made By O'Connell Seconded By Wardner

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Warner	✓	
Senator Bowman	✓		Senator O'Connell	✓	
Senator Grindberg	✓		Senator Robinson	✓	
Senator Christmann	✓				
Senator Wardner	✓				
Senator Kilzer	✓				
Senator Fischer	✓				
Senator Krebsbach	✓				
Senator Erbele	✓				
Senator Wanzek	✓				

Total (Yes) 13 No 0

Absent 0

Floor Assignment _____

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

Date: 2-22-11
Roll Call Vote # 2

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2015

Senate 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 Warnow Seconded By Grindberg

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Warner	✓	
Senator Bowman	✓		Senator O'Connell	✓	
Senator Grindberg	✓		Senator Robinson	✓	
Senator Christmann	✓				
Senator Wardner	✓				
Senator Kilzer	✓				
Senator Fischer	✓				
Senator Krebsbach	✓				
Senator Erbele	✓				
Senator Wanzek	✓				

Total (Yes) 13 No 0

Absent 0

Floor Assignment Holmberg

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

Date: 2-22-11
 Roll Call Vote # 2015
3

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. 2013

Senate _____ Committee _____

Check here for Conference Committee

Legislative Council Amendment Number SB 2015

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

Motion Made By Robinson Seconded By Grindberg

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg			Senator Warner		
Senator Bowman			Senator O'Connell		
Senator Grindberg			Senator Robinson		
Senator Christmann					
Senator Wardner					
Senator Kilzer					
Senator Fischer					
Senator Krebsbach					
Senator Erbele					
Senator Wanzek					

Total (Yes) _____ No _____

Absent Unanimous

Floor Assignment _____

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

*Voice Vote.
 Reconsider the Bill
 13 yes -*

PROPOSED AMENDMENTS TO SENATE BILL NO. 2015

Page 1, line 3, after the first semicolon insert "and"

Page 1, line 3, remove "; and to declare an"

Page 1, line 4, remove "emergency"

Page 1, replace line 18 with:

"Capital assets	2,420,298	6,969,845	9,390,143"
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Page 1, replace line 20 with:

"Prairie public broadcasting	1,337,138	500,000	1,837,138"
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"Total general fund	\$36,249,096	(\$2,698,259)	\$33,550,837"
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Page 2, replace line 8 with:

"Prairie public broadcasting	\$2,016,200		\$500,000"
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Page 2, after line 13, insert:

"Capitol complex parking lot repairs	0		1,000,000"
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Page 2, replace line 15 with:

"Total all funds	\$6,681,735		\$4,350,000"
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Page 2, replace line 17 with:

"Total general fund	\$4,858,100		\$4,350,000"
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Page 3, remove lines 3 through 12

Page 3, line 31, replace "three percent annual increases" with "the same percentage increase"

Page 4, line 3, replace "three" with "four"

Page 4, line 4, replace "three" with "one"

Page 4, remove lines 10 and 11

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2015 - Office of Management and Budget - Senate Action

	Executive Budget	Senate Changes	Senate Version
Salaries and wages	\$18,517,763		\$18,517,763
Operating expenses	13,765,254		13,765,254
Capital assets	8,390,143	1,000,000	9,390,143
Grants	55,000		55,000
Emergency Commission contingency fund	700,000		700,000
Prairie Public Broadcasting	1,337,138	500,000	1,837,138
State student internship program	200,000		200,000
Total all funds	\$42,965,298	\$1,500,000	\$44,465,298
Less estimated income	10,914,461	0	10,914,461
General fund	\$32,050,837	\$1,500,000	\$33,550,837
FTE	131.50	0.00	131.50

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

	Adds Funding for Parking Lot Repairs ¹	Adds Funding for Prairie Public Broadcasting ²	Total Senate Changes
Salaries and wages			
Operating expenses			
Capital assets	1,000,000		1,000,000
Grants			
Emergency Commission contingency fund			
Prairie Public Broadcasting		500,000	500,000
State student internship program			
Total all funds	\$1,000,000	\$500,000	\$1,500,000
Less estimated income	0	0	0
General fund	\$1,000,000	\$500,000	\$1,500,000
FTE	0.00	0.00	0.00

¹ One-time funding is added for Capitol complex parking lot repairs.

² One-time funding of \$500,000 is added for the Prairie Public Broadcasting studio renovation project.

This amendment also:

- Adjusts Section 2 relating to one-time funding amounts for Capitol complex parking lot repairs and the Prairie Public Broadcasting studio renovation project.
- Removes Section 6 which transfers \$370.6 million from the permanent oil tax trust fund to the state highway fund and Section 12 providing the related emergency clause.
- Removes Section 7 which transfers \$60 million from the current earnings and undivided profits of the Bank of North Dakota to the general fund.
- Adjusts Section 11 to provide intent that funding is provided to each state agency for a 4 percent state employee salary increase on July 1, 2011, and for a 1 percent state employee salary increase on July 1, 2012. The Governor recommended a 3 percent increase for each year of the biennium. Eligibility guidelines for the salary increases are not changed.

Date: 2-22-11
 Roll Call Vote # 4

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. 2015

Senate _____ Committee _____

Check here for Conference Committee

Legislative Council Amendment Number: remove 1001 + attach 01002

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

Motion Made By Krebsbach Seconded By Robinson

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Warner	✓	
Senator Bowman	✓		Senator O'Connell	✓	
Senator Grindberg	✓		Senator Robinson	✓	
Senator Christmann	✓				
Senator Wardner	✓				
Senator Kilzer	✓				
Senator Fischer	✓				
Senator Krebsbach	✓				
Senator Erbele	✓				
Senator Wanzek	✓				

Total (Yes) 13 No 0

Absent 0

Floor Assignment _____

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

Date: 2-22-11
Roll Call Vote # 5

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2015

Senate _____ Appropriation _____ Committee

Check here for Conference Committee

Legislative Council Amendment Number on JB 2015

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

Motion Made By Robinson Seconded By O'Connell

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Warner	✓	
Senator Bowman	✓		Senator O'Connell	✓	
Senator Grindberg	✓		Senator Robinson	✓	
Senator Christmann	✓				
Senator Wardner	✓				
Senator Kilzer	✓				
Senator Fischer	✓				
Senator Krebsbach	✓				
Senator Erbele	✓				
Senator Wanzek	✓				

Total (Yes) 13 No 0

Absent 0

Floor Assignment Holmberg

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

Date: 3.23.11
Roll Call Vote # 1

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2015

Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number Motion by Dan Sharp - OMB, Budget Status Adjustments

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

Motion Made By Robinson Seconded By Grinberg

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Warner	✓	
Senator Bowman	✓		Senator O'Connell	✓	
Senator Grindberg	✓		Senator Robinson	✓	
Senator Christmann	✓				
Senator Wardner	✓				
Senator Kilzer	✓				
Senator Fischer	✓				
Senator Krebsbach	✓				
Senator Erbele	✓				
Senator Wanzek	✓				

Total (Yes) 12 No 0

Absent 0

Floor Assignment _____

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

REPORT OF STANDING COMMITTEE

SB 2015: 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). SB 2015 was placed on the Sixth order on the calendar.

Page 1, line 3, after the second semicolon insert "and"

Page 1, line 3, remove "; and to declare an"

Page 1, line 4, remove "emergency"

Page 1, replace line 18 with:

"Capital assets	2,420,298	6,969,845	9,390,143"
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Page 4, line 3, replace "three" with "four"

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Page 4, remove lines 10 and 11

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2015 - Office of Management and Budget - Senate Action

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Salaries and wages	\$18,517,763		\$18,517,763
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General fund	\$32,050,837	\$1,500,000	\$33,550,837
FTE	131.50	0.00	131.50

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

	Adds Funding for Parking Lot Repairs ¹	Adds Funding for Prairie Public Broadcasting ²	Total Senate Changes
Salaries and wages			
Operating expenses			
Capital assets	1,000,000		1,000,000
Grants			
Emergency Commission contingency fund			
Prairie Public Broadcasting		500,000	500,000
State student internship program			
Total all funds	\$1,000,000	\$500,000	\$1,500,000
Less estimated income	0	0	0
General fund	\$1,000,000	\$500,000	\$1,500,000
FTE	0.00	0.00	0.00

¹ One-time funding is added for Capitol complex parking lot repairs.

² One-time funding of \$500,000 is added for the Prairie Public Broadcasting studio renovation project.

This amendment also:

- Adjusts Section 2 relating to one-time funding amounts for Capitol complex parking lot repairs and the Prairie Public Broadcasting studio renovation project.
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2011 HOUSE APPROPRIATIONS

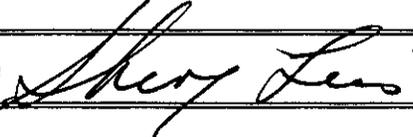
SB 2015

2011 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Government Operations Division
Medora Room, State Capitol

SB2015
March 9, 2011
Recorder Job# 15152

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 provide an exemption; to provide for various transfers; to provide legislative intent; and to declare an emergency.

Minutes:

Chairman Thoreson: Opened the hearing on SB2015. Speaker Drovdal joined the hearing.

Pam Sharp, Director, North Dakota Office of Management and Budget: See attached testimony 2015.3.9.11A.

Chairman Thoreson: The 2 in facility management; what did they do previously before you eliminated them?

Pam Sharp: The 2 in central services were press operators that hadn't been filled for awhile. Within central services it's how much volume of business we have.

Testimony continued.

Chairman Thoreson: On the database do you know exactly how much less that came in under estimate?

Pam Sharp: We were appropriated \$400,000.00 for it and it seems like it was a little over \$300,000.00.

Representative Glassheim: Do you need to carry over any of these funds?

Pam Sharp: No, we need to carry over IT data processing dollars of \$765,000.00. The federal stimulus dollars of \$270,000.00; we don't have any purpose to spend those dollars. It was specifically for the searchable database and for admin for tracking the ARA funds. That will be done, so, we don't have any reason.

Representative Klein: Are you completely finished with that or is there some more tracking you need to do?

Pam Sharp: There's more tracking but it's very minimal.

Testimony continued.

Chairman Thoreson: So, it's your understanding that that's going to back into HB1012?

Pam Sharp: It's my understanding. They were not opposed to this; they just wanted to deal with it at the same time.

Testimony continued.

Chairman Thoreson: The study that All Tide did; do you have that or would that be able to be provided to the committee?

Pam Sharp: Yes, we can go over that.

Representative Kempenich: What was the timeline of spending the money on the capital complex?

John Boyle, Director of Facility Management, North Dakota Office of Management and Budget: In each of those projects we're beyond the design phase. We're getting ready to go out and bid on those projects. The judicial wing, which was \$1.3 million, we've halted that one right now. We would have bid, got contractors involved and probably spent all that money before June 30. We have a capital grounds planning commission scheduled for next Wednesday; they have to approve the design of the parking lot. It's going to be on the north side; originally, we were carry that \$1 million forward into the next because we didn't know how soon we'd get it approved. Now that we're not doing that project until the next biennium, we're going to spend that this biennium making these mechanical and electrical improvements.

Chairman Thoreson: By holding it over for the 2013-2015 biennium, is there any estimate of what kind of increase that might be in costs if we do that?

John Boyle: The architect is estimating that we could have a 3% to 4% increase if we push it out. We'll try to get it done at the beginning of 2013; so we're only going to be 2 years behind.

Pam Sharp continued with her testimony.

Representative Dahl: Can you highlight what the discussion was regarding that change from the 3%/3% to the 4%/1%?

Pam Sharp: I wasn't present for most of that discussion. My understanding is there concern was the cost to continue. Right now we have to continue the 5% for the

second year of this biennium. I believe they thought if they did a 4% the first year and a 1% the second year, the cost to continue would just be that 1%; and much less. The total dollar amount is roughly the same.

Testimony continued.

Chairman Thoreson: How much is in the land and minerals trust fund?

Becky Keller, North Dakota Legislative Council: The estimated balance at the end of this biennium will be \$168.6 million; and the estimated balance at the end of 2011-2013 biennium will be \$26.4 million.

Representative Kempenich: There's \$230 million getting transferred out; isn't there?

Becky Keller: Correct. For the 2009-2011 biennium the estimated expenditures and transfers are \$37.3 million and for the 2011-2013 biennium it's \$249.95 million.

Testimony continued.

Chairman Thoreson: What are the memberships out of that \$611,000.00? Do we have a breakdown that you could provide to us?

Pam Sharp: We do. It's on your green sheet.

Testimony continued. Recording glitch.

Representative Klein: Educate me on the boys and girls clubs?

Pam Sharp: We are sending \$500.00 to each county to support their 4H clubs.

Representative Kempenich: What kind of signs putting in the capital? I see you have \$400,000.00 for some signs in the entrances?

John Boyle: That's a project that the capital grounds planning commission has approved to have entrance signs at each one of the main entrances into the capital complex.

Representative Kempenich: What would they say?

John Boyle: They would say like "East entrance North Dakota state capital grounds."

Sherry Nies, Director Central Services, North Dakota Office of Management and Budget: See attached testimony 2015.3.9.11A.

Chairman Thoreson: The 2 people that are going to the heritage center expansion, is that going to be the total number of additional people needed because of that expansion or are we looking at some point having to bring on more people for that?

Pam Sharp: That is the total amount that will be required from OMB facility management. The Heritage Center itself, has maybe a few FTE's. I'm not sure how many they have.

Representative Klein: What you have in the bill is what the senate has for the pay package? The numbers are the senate's numbers?

Pam Sharp: That's correct. The numbers didn't change; just the way they distributed.

Representative Glassheim: I don't see how that's possible. You can't have 3%/3% and 4%/1%; they don't equal. I think the senate included intent; but didn't change the line item on the salaries and wages.

Chairman Thoreson: It is confusing and we will probably need to request some additional information.

Sheila Peterson, Fiscal Management, North Dakota Office of Management and Budget: It does seem a little strange;; but, think of it in terms of the 4% as funded for a full 24 months vs. 3% for 24 months and 3% for 12 months. The 4% is funded for 24 months in the biennium; so that's why dollar wise it comes out to just about the same.

Todd Anderson, Director of Risk Management, North Dakota Office of Management and Budget: See attached testimony 2015.3.9.11A.

Representative Dahl: Can you clarify for me what your role is defending the state and liability suits as opposed to one the Attorney General's office gets involved?

Todd Anderson: We are like the insurance company for the state. In order for a law suit to be defended, the Attorney General as the constitutional officer, legal representative for the state is involved. Ordinarily, we utilize an assistant attorney general as counsel to defend all law suits that are brought against and the state employee. When there's a conflict, that occasionally does arise, we hire legal counsel through the private sector. But, even though they are in the private sector and paid separately, they still have what's called a special assistant attorney general appointment from the Attorney General.; and act pursuant to his authority.

Representative Kempenich: Are you moving?

Todd Anderson: I don't know if we know the answer to that yet.

Pam Sharp: We put a little authority in there just in case they needed to move; only because we are aware that there are several agencies in the WSI building that are screaming for space; and if someone truly needs some space, that is one possibility.

Representative Klein: Do you have a summary of what you take in from the various agencies and what you pay out for the year?

Todd Anderson: We do maintain accounting records that show the monies we take in contribution and the monies that are expended to pay claims and other costs associated with funding the program.

Representative Klein: Is it in a simple format that you could provide us?

Todd Anderson: Yes and no. It's a simple accounting document; but, to have a full understanding you'd have to look at multiple years. For example, in this current biennium, contributions that are coming into the fund; and those contributions were determined by an independent actuary who looks at our potential loss exposure is a little over \$3 million. We also have, currently, about \$1 million current loss reserves. I certainly can provide something to you.

Representative Klein: If you could put something together I'd like to see what the total operation is.

Todd Anderson: Yes.

Lori Sterioti Hammeren, Director of Human Resources, North Dakota Office of management and budget: See attached testimony 2015.3.9.11A

Chairman Thoreson: On that job chart, did they update that on a regular basis; do you know, Hay? When they do, how do they provide those updates to the state of North Dakota; do they come in and retrain or do they use that to reclassify according to what they made their changes?

Ken Purdy, Classification and Compensation Manager, Human Resource Management Services, North Dakota Office of Management and Budget: One of the advantages of converting to the full Hay System is the ongoing maintenance and validation of that system, essentially worldwide. It's applied in major employer corporations and governments all over the world. Their continually looking at the definitions and interpretations of the definitions of level of know how or level of problem solving at the various jobs; and providing information out to their clients regarding those interpretations. That continual and validation processes is one of the very significant changes from the process we've used for the last 20 some years.

Chairman Thoreson: When you say it's ongoing on a quarterly basis or is it as needed situation?

Ken Purdy: I'm not sure about.

Chairman Thoreson: They're going to be here obviously giving updates to the committee that's being set up right now; the employee compensation committee which is an offshoot of the interim committee.

Ken Purdy: I know they have meetings scheduled on April 5 and April 14.

Representative Klein: How many steps or pay grades in the average job description you have and how do you get from one to the other? Is it just time spent or is it some things you need to do to upgrade your qualifications? How does that work?

Ken Purdy: I'm not sure I can make that a simple summary. One of the issues at the present time, is that we have an open range system that doesn't have steps, parameters, we haven't been successful in consistently moving employees into their assigned range. There are opportunities for employees to move, for example, from accountant 1, 2, 3 as experience is gained and as they take on additional responsibility. Changes such as that are based on job duties, job responsibilities; it's not automatic.

Representative Klein: So if I start as janitor in one place and I stay there for 15 years, other than the normal pay grade, I can never move up in the system?

Ken Purdy: If you start as a custodian and never do anything else the increases would bring you up to the market level, the experienced, functioning market level; and then going forward, anything on that would be based on changes to the market and performance.

Representative Klein: So most of the people in the system are in the mid-range? Would that be a fair statement?

Ken Purdy: Our average shows that our employees are about 4% below the current midpoints. Which in the process, we've used, we've tried to keep midpoints in a relationship to market. Generally, we've lagged the market by 5% or more; because the funding isn't available to be there.

Representative Klein: Your turnover rate total runs about what?

Ken Purdy: We're running between 8% and 9%; and it's been very consistent. Problems in certain occupational areas and other occupational areas, we're much more competitive.

Representative Klein: That's not a significantly high number, is that pretty much normal?

Ken Purdy: I would say in an overall sense an 8% turnover rate isn't major concern.

Representative Glassheim: The Hay study has been criticized because it hasn't looked at the benefits or comparison of benefits with the private sector. Do they have the capacity to do that?

Ken Purdy: The Hay Study has looked at the benefits and the comparison of the benefits and looked in an over all sense of total compensation. Their findings have been the benefit package is competitive; it's not exceeding the market, not lagging the market other than when you dig into a few details like life insurance. Their assumption going forward is that the benefit package is competitive. What you're

going to find is that the state's benefit package is definitely superior to many small employers that don't have the employee base to provide that kind of a benefit package. As you get into more sophisticated employers and larger employers, our benefit package is probably substandard to theirs; because they have a larger employer base, more high level professional type employment.

Representative Glassheim: The range was 8% to 12% behind. Is that private sector or other states?

Ken Purdy: That's the piece they're working on refining right now.

Representative Glassheim: When would you expect that; after the legislature is over?

Ken Purdy: That's to be completed in March and preliminary results presented to the state employee compensation system oversight committee April 5; with a final report on April 14.

Representative Kroeber: Did we address the life insurance issue in any way with the compensation package?

Ken Purdy: Not at this point and part of our discussions with the Hay Group has been a minor issue.

Lori Steriotti Hammeren continued with her testimony.

Representative Kempenich: Is this Hay Study going to cost more? I see you have \$54,000.00 budgeted for an evaluation software?

Lori Steriotti Hammeren: The Legislative Council paid for the consultant fees and what we anticipate going forward are the software fees for the software. One of the things will be funding if he identifies some issues. The second thing was how do we handle the appeal process. Currently classification appeals are handled through the state's personnel board; so we've asked the consultant to give us some ideas about how do other states handle that. I do know there's inherent misperception and perception about the appropriateness of the state personnel board looking state classification appeals. Since I chair that board and since I'm the agency director. So he's advised us in many states that he works with they have established a team similar to our team to review classifications. What they have found is that through that process; because agencies are involved upfront in the beginning is they end up having fewer appeals.

Representative Kempenich: So you would basically bill the agencies?

Lori Steriotti Hammeren: That would be correct.

Sheila Peterson, Director of Fiscal Management, North Dakota Office of Management and Budget: See attached testimony 2015.3.9.11A.

Chairman Thoreson: When you say it's growing what is the upgrade in PeopleSoft is it just more storage of data or actually applications being added on to PeopleSoft.

Sheila Peterson: These dollars are just because there's more data. You pay bills, more transactions, you need the storage for them and between the state agency side and higher education side there are thousands of transactions.

Chairman Thoreson: Does this number include higher education or is that in their budget separately?

Sheila Peterson: This does include higher education. Some maintenance for the upgraded database is in there.

Chairman Thoreson: There are separate dollars in higher education? Do you know how much that is?

Pam Sharp: That's about \$650,000.00.

Chairman Thoreson: That's in addition to this \$360,000.00; so it's a little over \$1 million total.

Lori Laschkewitsch: It's \$650,000.00.

Testimony continued.

Chairman Thoreson: How much did we have to report back to the feds for ARRA?

Sheila Peterson: We report quarterly; at the end of every quarter. The report on what was spent during that quarter.

Chairman Thoreson: Do they come back asking for information at all or was it that you reported and that was it?

Sheila Peterson: As far as this reporting they had a website that established and that didn't change. It became very routine after the first couple of quarters.

Chairman Thoreson: Are they going to be looking at that in any detail in the future? Are they auditing the information do you know?

Sheila Peterson: We've had several desk audits already and I do expect that those will continue. We had 4 the first year; some states had desk audits and some had in person visits. We were part of the desk audit group the first go around; next year they will visit us.

Representative Klein: Let's go back to IT costs and data processing and increases in that area. Are we done with PeopleSoft or is there going to be continuous updates to that program?

Sheila Peterson: No, we're not done with PeopleSoft there are many modules that we continue to bring online as we have the dollars and the resources. We are doing several, for example, in the HR area, candidate gateway; we are doing more and more electronic servicing.

Representative Klein: Roughly your IT costs keep increasing at a tremendous rate. What percentage of the budget are we talking for IT?

Chairman Thoreson: Lori, is that also what you're showing?

Lori Laschkewitsch: Of the operating that's correct. Of the total fiscal budget, it's about 50% of it.

Representative Klein: What was that number?

Lori Laschkewitsch: It's about 50% of our fiscal management budget when you include salaries of the operating line it's \$4 million of \$5 million operating.

Representative Brandenburg: All the ARRA money came through your office. How much did we get last biennium of that ARRA money?

Sheila Peterson: So far we have received or drawn down in the neighborhood of \$480 million to \$500 million this biennium. That is the bulk of it; most of the ARRA dollars were coming out in this 2 year period. That matches up with our biennium. We do have a few programs that were going beyond this biennium; they were 3 and 4 year programs, but, it's very limited. Most all of it will be spent by the time we end this biennium.

Representative Brandenburg: Of that federal money for the programs that went out, how much of that now is being picked up by the state. Do you have a number so we can track that?

Sheila Peterson: Yes, I do. The vast majority of these expenditures were one time. The money that we knew about 2 years ago that we would have to replace this biennium was the FMATH increase in the department of human services. That was approximately \$66 million.

Representative Brandenburg: If you could provide that to the committee?

Sheila Peterson: We do have a summary of that.

Representative Kempenich: It was a subject we were talking about on the governor's budget on the \$21 million. Is that considered ARRA money?

Sheila Peterson: It is not considered ARRA money. It is not the same reporting requirements that Education Jobs Funding Bill is not considered ARRA money.

Chairman Thoreson: It's a separate handout to the states.

Representative Klein: Going back to that money in the Governor's budget that goes directly for schools, once it gets out into the districts, is there any limitation of what it can be used for?

Sheila Peterson: Yes. The jobs add money can only be spent on compensation, salary and benefits. However, we recognize that, for example, school districts had a budget to fund their total operations including salaries and compensation this current school year. So, what they could do is they could just do an accounting transaction and spend their federal dollars, their jobs add money, freeing up their general fund dollars and then once they're freed up, they can spend it on anything they would like.

Representative Brandenburg: That \$85 million that went out there; because, it's hard to track this. It would be nice to track this somehow so you can get all the programs that came through that stimulus money and see how much the state is picking up. It's hard to get a good handle on it because it went to so many different agencies.

Sheila Peterson: We do have a recovery website that you can get to from OMB's website, www.recovery.gov, that shows every single program, what was appropriated, what has been drawn down, and I believe the December quarter reports would be out there now and the FTE as well. That's where you can find a summary of all the dollars that flown through the state of North Dakota. Relative to the \$85 million from last biennium, what we did was make reporting for the school districts very easy. We put that \$85 million into the foundation aid formula and used all of it for compensation out at the school district level. All school districts did it the same way; the state was able to do all of the reporting on that \$85 million. So then we knew we had \$85 million that was freed up of general fund money that we had planned to spend in foundation aid in the current biennium; and we used that one time expenses. That could be computer systems, capital projects, textbooks; one time things, knowing that that \$85 million, once the ARRA money went away, would need to be moved back in to the foundation aid program.

Representative Brandenburg: You handled it just fine what I'm saying is it didn't quite work that way in the end. You look at the state of North Dakota, we only received \$500 million; and you look at other states and they have problems because now that money is gone and they have to pick it up at the state level.

Sheila Peterson: We're very fortunate to be in the position we're in.

John Boyle: See attached testimony 2015.3.9.11A.

Chairman Thoreson: The temporary employees, do you have an idea of how many temporary you'll need? When you say temporary, does that mean they'll be employed full time for a temporary period of time or just on a part time basis?

John Boyle: For those temporary employees some times when we're in a bind, we hire temporary custodians to help come in and clean up, set up, etc. We have 3 or 4

of those that are on call right now. They are on our system for a period of time; but they're only called in as needed.

Chairman Thoreson: So they receive wages only or do they have any kind of benefits when they're working under those conditions?

John Boyle: It's wages only.

Testimony continued.

Chairman Thoreson: What's going to be done with the wood?

John Boyle: The wood hasn't been restored for years; so we're going to come back probably strip it, reapply multiple coats of varnish on top of it.

Chairman Thoreson: Is this just the wood on the front facing of the chambers or this the desks and everything else?

John Boyle: It does include all the wood in each of the chambers, all the wood in legislative hall and if there's enough available, it will include all the desks. We hope when the architect gives us the estimate, we can restore all those desks as well.

Chairman Thoreson: The desks are still functional but there are some spots where they're starting to show their wear and tear.

John Boyle: I agree 100% with that.

Testimony continued.

Chairman Thoreson: What's the history of the capital building trust fund? What dollar amount is going to be left in it after we take that out?

John Boyle: It began in 1889. The land department received tens of thousands of acres and these acres were put into this capital building trust fund. At a point in time early on, they had sold some of those acres and mineral rights; then they understood that we should contain the mineral rights. Right now there's about 10,000 of owned acres. There's just under 30,000 acres that we mineral rights. This fund has grown dramatically over the last 4 years. One of the areas we have land and mineral rights, we just did a deal a couple of years ago, where just the lease payment that this trust receives was over \$900,000.00. The trust receives royalties off of ground rent, leases.

Chairman Thoreson: Is there production on those leases right now?

John Boyle: There is no on those leases; however, they're anticipating that since this one entity did pay \$900,000.00 that they are going to try to find something.

Chairman Thoreson: Where's that one located at?

John Boyle: I can provide you a map. The land department that manages the trust; they are anticipating a balance of about \$3.1 million to \$3.2 million at the end of this biennium.

Representative Kempenich: On the south entrance what are you trying to do with that?

John Boyle: What the capital grounds planning commission is has approved is to look at removing the drive lane so that it comes underneath and then enclose that area. We're not going to go in and finish it off right now; because, there's not enough money to do that. But we do have an issue with wind and cold; it's a tremendous wind tunnel. It would be like a store front mullions with glass and then we're going to put in sidewalks, add a lot of trees out there.

Chairman Kempenich: So you're making wider walkways? When you walk through there you're usually walking on the old roadway.

Chairman Thoreson: Was that part of the whole capital grounds master plan that was done about 10 to 11 years ago?

John Boyle: Yes.

Representative Brandenburg: So you're going to put some doors there when you come in there so it's sealed off?

John Boyle: Yes, as you know in the winter time the wind comes from the north and the west; so we would probably close off the west end. Our visitor parking lot right now is west of the DOT building; so except for legislative time, 95% of all the visitors we have come through that south entrance. We would have a door on the east side for them to enter through and then, if we implement other projects that are in the capital grounds master plan, then we would put a door on that west end as well. For now all we'd like to do is have it on the east end.

Representative Dahl: Ms. Sharp had indicated \$1.3 million to go to the Judicial Wing is on hold as of now. What was that money going to go towards?

John Boyle: Over in the Judicial Wing we have some issues with the limestone. The big issue is the terrazzo flooring; you'll see there's a lot of settlement cracks. We were going to go in and restore all that limestone; but, first replace the bad areas to see if there's some concrete under there that needs replacement. It did include cleaning all the limestone. One of the issues that the capital grounds planning commission always brings up is the cleanliness of that limestone compared to the capital.

Representative Dahl: So the \$1.3 million would be used entirely to repair and clean those stones?

John Boyle: Only \$500,000.00 was for limestone repair; \$800,000.00 was for the terrazzo portion of it.

Speaker Drovdal: I noticed the \$611,000.00 for dues and I know that's not all the dues we pay across all the clubs we belong to; do you have in your information all the organizations that we pay dues to from the state of North Dakota?

Pam Sharp: Not one centralized list.

Speaker Drovdal: Why are we not paying all our dues on the same line as we're paying CSG?

Chairman Thoreson: I know NCSL is in our budget for the legislative assembly and legislative branch.

Pam Sharp: The ones that are on that list are primarily statewide; NCSL has always just been.

Chairman Thoreson: NCSL is legislative specific; where CSG is all 3 branches of government.

Speaker Drovdal: The theory is if it's statewide it's in your budget and if it's specific to tax it's in their budget?

Pam Sharp: Yes.

Chairman Thoreson: Even the governor's one isn't in the governor's budget; it's in this budget. What happened with the Midwest governor's association going to zero? Are they going away or are we just not paying our bills for them?

Pam Sharp: I think we've chosen not to belong to that.

Chairman Thoreson: Western instead of Midwest.

Representative Kempenich: We've been asking where your budgets at for this biennium; if you could give us a spend down sheet.

Pam Sharp: We can get that for you. We did in our testimony we have included how much we think will left over.

Representative Kempenich: Some budgets have decreased; salaries aren't as big of a deal as the operating part.

Pam Sharp: We'll put that together for you.

John Harris, President/CEO, Prairie Public Broadcasting: See attached testimony 2015.3.9.11B.

Chairman Thoreson: The \$500,00.00 that the senate put in, that was not in the governor's budget; is that correct?

John Harris: No it was not.

Chairman Thoreson: Was that money that you had tried to raise outside of the legislative process or was that request just made to the senate when the bill came before them?

John Harris: Outside of the legislative process?

Chairman Thoreson: What I'm asking is that this money is going to do things like repairing and fixing up elevators, etc. Was there any effort to raise through some kind of a capital campaign?

John Harris: I would say there's always continuing efforts to raise money; there was no capital campaign to raise money. It's a specific campaign to raise money for these projects. It has been the history that we have utilized state and federal grants when available to take care of facility updates.

Chairman Thoreson: The request was not made when the budget was submitted to the governor?

John Harris: It was made to the governor for \$1.9 million.

Chairman Thoreson: But it was not included in the recommendation?

John Harris: No, it was not.

Representative Dahl: Just to clarify, you talked about matching grants. Would this \$1.3 million be used to match federal grants or is this just money from state used in operating?

John Harris: The \$1.3 million has been an operational grant that has been flat since the 2003-2004 biennium. For the last 2 bienniums that has been our operational support and that has been at level funding for the past 2 bienniums. It's not all looking for matching dollars at the \$1.3 million; the \$500,000.00 is more of what we're utilizing for the matching dollars.

Representative Kempenich: You know there's been some firestorms around public radio. How tight are in with the national radio? It's getting very tough to justify taxpayer's dollars to keep going when NPR is making the news and not reporting the news.

John Harris: I agree with you on that. I'll make a couple comments on that and you may be talking about the most recent Ron Schiller incident that happened. He wasn't speaking on behalf of the NPR leadership and is no longer employed at NPR. This morning Vivian Schiller the president of National Public Radio has resigned. A lot of

our national news comes from National Public Radio Morning Edition; we pay them about \$120,000.00 per year. I would say that none of the state money goes to that. We generate revenue from people who do listen to that; and support Morning edition. We use member dollars to support that. Our surveys show when you follow who supports public radio, it follows 1/3 liberal, 1/3 middle of the road, and 1/3 conservative.

Representative Kempenich: What I'm driving at is the making of the news part instead of just reporting it.

John Harris: I would remind you that a lot of our local news comes from Dave Thompson, Todd McDonald, Daniel Webster, etc.

Chairman Thoreson: They're first class journalists; I have no problem with that. I appreciate the fact that we're using member dollars that are raised to fund that program; but I still think there's a strong sense that state dollars going an organization where it may somehow flow upward to that we have some questions about. It is something that we will be having a discussion about when we do this budget process.

John Harris: Yes sir Mr. Chairman.

Stuart Savekoul, Executive Director, North Dakota Public Employees Association: I'm here largely to address the conversion that the senate made from the governor's proposal 3% and 3% down to the 4% and 1%. I just want to go on record as NDPEA opposes that conversion. While it certainly does do something to remedy the cost to continue; it also sets a dangerous precedent in that the 4%/1% over the course of any single biennium doesn't cost anyone a great deal of money in wages. But, if that approach is followed for any more than a biennium, those costs tend to add up and the decrease in continuing salary adds up. As you heard to from Mr. Purdy and Ms. Sterioti Hammeren, the state employee's salary is on average from 8% to 12%. Under either the governor's plan or senate's amended plan we do not close that gap. NDPEA has gone on record before saying that we think if ever there was going to be a session to close that gap, you have that opportunity now. Taking any opportunity to let up now will only increase the likelihood that we will lag the market by even a larger amount in future bienniums. I encourage you to restore the 3%/3% as proposed by the governor.

Representative Dahl: Was it your statement that even with the 3%/3% your fear is that state employee compensation would continue to lag? Did I understand that correctly?

Stuart Savekoul: Absolutely. With the 3% and 3% it adds up to 6%. If you still lag the market by 8% today where are we going to be 2 years from now if you've only appropriated a 6%. Assuming that the market continues to move forward, missing out on any opportunity to close the gap to that 8% is a missed opportunity.

Representative Dahl: In that case does NDPEA have a specific proposal in mind in your organization's position would catch the state up?

Stuart Savekoul: NDPEA endorsed the findings of the state employee compensation commission; which provided for a 5% and 5%, with an increase to the retirement which worked out to a net 4% and 4%. We figure if state employee's salaries lag the market by 8%, that giving an 8% increase spread out over the biennium would do a lot to close that gap. The governor took that recommendation under consideration and deemed it to be perhaps a bit too aggressive in light of other funding needs that are out there; and deemed that a 3% and 3% was all that could reasonably afforded at this time. When you figure that 1% comes off each year for retirement, state employees even after the governor's plan were looking at a 2% and 2%. On the senate's amended plan it works out to a 3% and 0%. With the pending changes in social security withdrawals, you're still going to see several state employees that take home less money in 2012 that they took home in 2011.

Representative Klein: Where are you getting the figures of 8% behind market? Where are you getting those from when you talk about being above that yet 12%; where are you pulling those from?

Stuart Savekoul: We're sighting the Hay Group's average. They said on average our pay lags the market 8% to 12%. We don't think state employees should be paid any higher than market; we simply think that they should get a fair wage so that the state doesn't have to spend so many resources in recruiting and retaining employees.

Representative Klein: The way I understood some of it the Hay Group is taking a look at some of the other factors involved in total compensation; and that figure of 8% might be changed when they come out with the final study.

Stuart Savekoul: At this point in time we can only work on the best information we've been given which implies that 8% to 12%. It's important to understand with diverse employment that North Dakota state government has it's not easy necessarily to compare cumulative private sector pay vs. cumulative public sector pay. We will be interested to see what the findings of that Hay Group are; we would welcome any effort made by this committee to wait until making a decision on compensation until those findings are found.

Representative Klein: The problem becomes it's a constantly changing field out there as we're finding out with the oil impact hiring away some our special employees. What's going to come next? This is not a staid situation as it changes; you can't make a statement that it's going to be that way because it's going to change tomorrow.

Stuart Savekoul: I heard house GVA talking about linking legislature pay to state employee pay. It looked like the members of that committee were interested in tying their salaries to some kind of an index. NDPEA would welcome any opportunity to figure out a strategic index that we could tie state employee's salaries too; so we don't have to revisit this every legislative session as well.

Representative Glassheim: The purpose here is to keep state employee salary competitive so we have the skilled people we need. We've always lagged the market in wages and benefits compared to some larger institutions.

Chairman Thoreson: I think hopefully by looking at this and getting results of the study and seeing what we can do to rectify if necessary these things is what's important.

Representative Brandenburg: Dealing with the transfer for the property tax relief sustainable fund, last session was it \$295 million? This session is going to \$340 million?

Pam Sharp: That's a very good question. The bump ended up at \$347 million for 2011-2013. It represents about a 7% per year increase.

Representative Brandenburg: So then it goes to \$388 million?

Pam Sharp: If you continue that percentage.

Representative Glassheim: I wonder if we could get some information. We're transferring a lot of these funds to general fund; that then with the 10% increases the amount that needs to be put into the rainy day fund or can be put into the rainy day fund.

I'd like information on what that means and what additional general fund monies will have to be transferred into the rainy day fund if we keep the 10%.

Pam Sharp: In the governor's proposed budget, we would have been capped out at a transfer of \$5 million. I noted at the cross over analysis that it bumped up to about \$52 million. That would have been because of the proposed transfers going into the general fund and proposed expenditures moved to the general fund.

Representative Glassheim: If you take 2 or 3 large amounts and put them in the general funds as opposed to the other funds as the governor's suggested.

Pam Sharp: I think it goes from \$5 million to \$50 million.

Representative Glassheim: Because I think your transferring the \$300 million and the \$240 million. The road stuff is going to general fund so that's another \$500 million that's said to be general fund expenditures.

Pam Sharp: It would be an increase of \$33.5 million to the budget stabilization fund.

Representative Glassheim: There's this concern if you go to 3%/3% instead of 4%/1%. How much are we actually talking about in a difference to the state?

Chairman Thoreson: If you don't have that now, can you provide a breakdown as that's something I think we as a committee needs to determine whether it's best to

stick with what we did in the first half or whether we find some medium ground between the two.

Representative Glassheim: The words cost to continue are frightening.

Representative Brandenburg: With the property tax reduction sustainable fund is there something we should be looking for with long range plans? Have we any plan at all to ratchet this thing down if we see problems coming?

Chairman Thoreson: I don't know if that's a statement more than a question. I think quite a few of us who've worked on the property tax business, once you're in it it's probably not going to go down in the numbers.

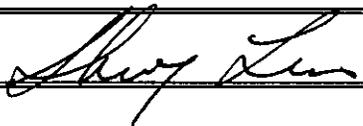
Chairman Thoreson: Closed the hearing.

2011 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Government Operations Division
Medora Room, State Capitol

SB2015
March 16, 2011
Recorder Job# 15499

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 provide an exemption; to provide for various transfers; to provide legislative intent; and to declare an emergency.

Minutes:

Chairman Thoreson: Opened the discussion on SB2015. All members were present.

Lori Laschkewitsch, North Dakota Office of Management and Budget: Explained the handouts that were emailed and handed out.

Representative Kempenich: On this generator, we heard the other day that the Heritage Center's putting in a backup system also? I was just wondering if they need duplicate systems?

John Boyle, Director of Facility Management, North Dakota Office of Management and Budget: Their generator is going to be part of the generator farm that we have already existing. We don't have enough capacity to pickup that amount of square footage in the electrical load that it's going to create. Their generator is basically for that additional square footage of land. We already poured the pad and did the electrical so that if we ever did need another generator it'd be in there. They're just basically buying the new generator out of that Heritage Center expansion project.

Representative Kempenich: It's pretty much all wired in. I know that they had budgeted \$400,000.00.

John Boyle: It's totally separate from what All Tag is proposing for the IT data center.

Representative Kempenich: The chiller in the cooling tower is a pretty healthy price tag. What does that entail?

John Boyle: The existing data center is tied into our existing chilling and cooling towers. In the case where we had the blackout, there was no cooling going to the data center. We have to set aside a separate fee.

Chairman Thoreson: So they can go ahead and do the project?

John Boyle: We actually have it advertised. We've just received the submittals for the request for qualifications. We had 3 engineering firms submit; so, we're evaluating those. We're going to interview them next week, select one, then they'll start the design and then it will have to be bid. If we declare it an emergency, we can just give it to a contractor.

Chairman Thoreson: What's the time frame to get it all completed?

John Boyle: By the end of the year. What's going to take the most time is the generator, if there's one available, that's going to speed up the process. If it has to be ordered, it's a 6 month lead time to order.

Chairman Thoreson: Is it something that's off the shelf or do they have to special build it for designs for our facility?

John Boyle: It is off the shelf. A lot of manufacturer's today build them once an order comes in.

Representative Klein: The size of that generator again please?

John Boyle: It's estimated at 1.5 megawatt.

Chairman Thoreson: In the interim until that's completed is there anything that can be done? If the power goes out in the middle of July and it's a hot day, we can't open up the back door to let the cold air in.

John Boyle: There is no plan.

Chairman Thoreson: We're just betting that we don't have another event like that anytime in the near future.

John Boyle: Exactly.

Representative Glasheim: Where's the financing coming from?

John Boyle: We haven't spent this biennium \$2.3 million. We're foregoing 2 projects. One is in for \$1 million for a parking lot for the next biennium; and the other one wasn't put back in on the senate side.

Representative Klein: One more question on that \$1 million for parking lot repair. Is that throughout the whole complex that you're doing repair?

John Boyle: That's for the north parking lot which we're going to be doing a presentation in the Brynhild Haugland at 3:00 this afternoon for the capital grounds planning commission. The architect's going to bring in a schematic design of what he would like to propose to the planning commission. They'll have to approve that plan before we go forward.

Chairman Thoreson: That's today at 3:00 p.m.?

John Boyle: Yes.

Representative Klein: I'm looking at the \$1 million we have in for parking lot repairs.

John Boyle: That is that amount. There's \$400,000.00 that's in there and this would be the \$1 million repairs.

Representative Brandenburg: When we're trying to park in the lot and the snow is white, the lines are white. When they paint those lines, maybe they can make them yellow and then that way we can tell the difference between white.

John Boyle: They used to be yellow. DOT has regulations that say all parking lot stripes must be white. So when we had it painted this summer, we had to abide by them. They make all the shopping centers, churches, etc abide by this standard. We knew that was going to cause big problems here.

Chairman Thoreson: Why in North Dakota where we have white snow 2/3 of the year, are we requiring parking lots to be painted white?

John Boyle: That's a DOT question.

Representative Kempenich: What would it cost to put up a parking ramp?

John Boyle: For rule of thumb we use for surface parking around \$2,000.00 to \$2,200.00 per parking stall. For a parking ramp, it's about \$15,000.00 to \$17,000.00 per parking stall.

Sheila Peterson, Fiscal Management, North Dakota Office of Management and Budget: Referenced testimony 2015.317.11C.

Representative Glassheim: If the top 2 charts show that the money paid employees is the same, I still don't get what the cost to continue is. You have to continue both the first year and the second year in the third year. So it seems to me they should be the same.

Sheila Peterson: The first year the salary increase is fully funded for 24 months. The second year is only funded for 12. So the bigger that second year is, the bigger it's going to cost to move it from 12 month funding to 24 month funding.

Representative Glassheim: I don't understand only looking at the second year. You have to continue funding the first year's increase which is greater. The base is going up that you have to continue.

Sheila Peterson: I would explain that by saying that first year increase is already in the base for a full 24 months.

Representative Glassheim: When you start to pay people, you still have to start at the \$90.00 extra on your example. But when you start next biennium, it's the total amount that you have.

Representative Kroeber: In the governor's plan, on July 1, they get the 3% increase for 6 months; on January 1st 1% comes out for retirement; therefore, their raise will really be 2% after that point in time. Plus the state is going to put in an extra 1%. On July 1, 2012 there will be an additional 3% in the governor's budget for 6 months; then, it will go down to 2% because they'll be another additional 1% taken out for retirement, plus 1% more will be paid by the state. So essence, in the long run in the governor's plan, they're going to get a 2% and 2% plus what has to go into their retirement. With the 4% and 1% plan, the way it is now, July 1 they'll get 4% for 6 months. Then that will drop to 3% because of their 1% retirement for the employee and the 1% for the state. July 1, 2012 they'll get 1% for 6 months and then it will go to 0%; because they'll have their 1% retirement taken out plus the state 1%. By the senate plan, they're really ending up with a 3% and 0%.

Representative Kempenich: Actually that does break out a little bit better. That \$2.7 million is actually carrying that first year increase over into the next biennium.

Representative Glassheim: If under 3% and 3% it's going to cost the state \$8 million and under 4% and 1% it's going to cost the state \$2.7 million. That means employees are getting \$5.3 million less.

Sheila Peterson: During 2013-2015.

Chairman Thoreson: I think there's discussions going on between the 2 chambers as to what we're going to do. I think the house had a good position.

Representative Kempenich: We haven't talked about it a lot and usually we see it in separate budgets. Some have a clear line item and some haven't; has that been built into the base for this biennium?

Sheila Peterson: Yes, those agencies that have cost to continue, it is built into the individual agency's base for the proposed budget for 2011-2013.

Representative Kroeber: One of the things that does surprise me is that on the cost to continue general fund is \$8 million on the 3% and 3%; and \$2.7 million on the 4% and 1%. It doesn't seem like it should be quite that much; because a 1% employee salary and benefit increase is a total of \$5 million for a biennium, of which \$2.7 million is general fund and \$2.3 million are special funds.

Sheila Peterson: Tell me those numbers again.

Representative Kroeber: From Legislative Council on a fiscal information sheet it said that 1% employee salary and benefit increase equals \$5 million for a biennium; of which, \$2.7 million is general fund dollars and \$2.3 million are special funds.

Sheila Peterson: Or it's the other benefits. As you're salary goes up it's the higher benefits paid on it.

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

Chairman Thoreson: We're now in 2011 so this person is going to be doing this for how long? Is the \$50,000.00 just for one time?

Pam Sharp: \$50,000.00 for one time. Once that \$50,000.00 runs out, that person will be done. We think that's all the time it will take for someone to do the planning for that event. They'd work in conjunction with the Heritage Center.

Chairman Thoreson: How big of a deal are we going to make of the 125 anniversary? Is it going to be as big as the 100th back in 1989?

Pam Sharp: I don't believe it's going to be as big as what we did in 1989. It will be some kind of an event.

Representative Klein: I think I've seen some of this money in other budgets. This only handles you're arena?

Pam Sharp: I'm not aware of any money anywhere else. As far as I know, we only have \$50,000.00 for all of the planning for it. I don't believe the Heritage Center has any money for it.

Representative Klein: I thought I saw something in the historical society's budget for it.

Lori Laschkewitsch: I'm not certain of the amount but there is some money in the operating expense for the historical society; it's for the travel, printing, etc.

Representative Klein: You're saying there's how much in the historical society budget? Was it \$40,000.00.

Becky Keller, North Dakota Legislative Council: There's \$50,000.00.

Representative Klein: Are they doing the same thing or are they complimenting each other?

Pam Sharp: They'd be complimenting each other.

Representative Kroeber: Didn't we put some money away for the bicentennial?

John Boyle: That money was for the 100th birthday of the capital building where we're doing restoration projects. We're phasing those so that when this building is 100 years old, we have money available.

Representative Dahl: I understand this is just a planning position; but, according to my math this would be 2014 would be our 125th. So we could reasonably expect to see some kind of money, either related to this planning position or some kind of funding for next biennium, correct?

Pam Sharp: That's my assumption. This person would be doing the planning; so I expect there would be some expenses for the actual event next biennium.

Chairman Thoreson: Is there any type of citizen's committee or input being planned for this?

John Boyle: I know that the historical society has been talking about this for a few year's now. They're getting all kinds of people involved.

Chairman Thoreson: Maybe we need to get somebody here from the historical society to discuss this.

Pam Sharp: Lori just gave me a little spreadsheet. It looks like we roughly \$100,000.00 between OMB and the Heritage Center for planning of the event. An estimate for the 2013-2015 biennium of \$555,000.00 for the event; it says \$250,000.00 for community celebration grants and then \$200,000.00 for special projects and events.

Representative Dahl: I'm not sure if the way I framed my question is that clear; but, what I was trying to ask is if we fund this position this time, this position wouldn't complete go away at the end of the biennium, correct? So we would need to do some kind of additional funding.

Chairman Thoreson: It doesn't take us up to 2014.

Representative Dahl: Exactly. If we do this, we can expect to see this same position next time?

Pam Sharp: Not necessarily. I think this is just for someone to come in and help plan for the event. I think once they get that in place, whatever they come up with, I guess I wouldn't necessarily see this position going forward. There'd be money for the actual event; but, hopefully all the plans would be in place in for it.

Explanation of the green sheet continued.

Chairman Thoreson: Do you know how many people are utilizing it?

Pam Sharp: I couldn't tell you how many have used it; but, I know we will use the entire amount of money this biennium and there's still a few people that were on the waiting list that probably won't get funded.

Chairman Thoreson: There's more demand than there is money?

Pam Sharp: Yes.

Representative Klein: You bring these students in. Any particular areas or do you spread them around different divisions within the capital to learn the overall system?

Pam Sharp: Each agency is on their own to find their own intern. If they decide they want to place an intern within their agency; then they find an intern and then they come to HRMS to get part of the funding for that position.

Representative Klein: I suppose it's kind of similar to what industry does to bring somebody in, find out how he works with the rest of the system, and if he's a good employee, they'll more than likely try to keep him on.

Pam Sharp: That's correct.

Representative Dahl: Are these agencies limited in terms of dollars? What they can receive from your office for this program?

Pam Sharp: Yes they are. I believe they can receive up to ½ the cost of the intern. But it's never more than half of the cost.

Explanation of the green sheet continued.

Chairman Thoreson: But it's no new projects that we're starting to bring?

Pam Sharp: No. This is in the operating.

Chairman Thoreson: What kind of modules for PeopleSoft are we looking at adding that we don't have now?

Pam Sharp: I believe they're all self service modules but I think one of the things we're looking for is recruit work force. Basically, it would be so that when people are applying for a job with the state of North Dakota, they can apply on line.

Chairman Thoreson: It's pretty much what a lot of the private sector has gone to?

Pam Sharp: Right.

Chairman Thoreson: Does job service have that availability on their site now?

Pam Sharp: We own the module through PeopleSoft already and it's integrated with the rest of our systems. So it just costs us the development work to get it implemented.

Explanation continued.

Chairman Thoreson: They're basically signs on the doors, is that correct?

John Boyle: These are signs that the capital grounds planning commission has approved for each of the entrances into the capital complex. So they'll go out on the street. These are big granite signs with aluminum letters; they're about \$75,000.00 to \$100,000.00 each.

Chairman Thoreson: The next question is that people haven't been able to find the capital without these signs?

John Boyle: When I came to North Dakota 8 years ago, I had no idea where the capital was. We had to think in terms of people who had never been here before and helping them. This is just phase 1; once we get them into the complex, they'll be pathway signs, building identification signs.

Chairman Thoreson: So the next phase will come in 2 years?

John Boyle: Yes. In 2013-2015; and then we'll do one in 2015-2017. Remember this is special fund money that's paying for this out of the capital trust fund.

Explanation continued.

Chairman Thoreson: We did discuss about the wood and it's the wood along the walls and out in the hallways, etc. You said the desks are part of plan if there are funds available?

John Boyle: That's correct. That will be an add alternate into the bid.

Explanation continued.

Chairman Thoreson: What are we doing with that; for remodeling the café?

John Boyle: It could move more efficiently and also back where you sit some of that hasn't been remodeled since 1985. You can see some of the banners have a little wear and tear.

Chairman Thoreson: That's actually leased out right? There's a company that leases the kitchen facilities or how does that work?

John Boyle: That's correct. We provide all the equipment and they basically run it. At the end of the day, we pay them a 5% fee to run it; any money that's left over at the end we get 60% and they get 40%. It's working out very well. They're a national firm out of Minnesota.

Chairman Thoreson: They hire in staff?

John Boyle: Yes. They take care of all that. The reason we went with this firm is they pay benefits to their employees. They have annual leave, sick leave, they have an opportunity to get in with their employer's insurance; it's really worked out well. There is a higher cost for them to operate because of the benefit package.

Representative Kempenich: Has there been any talk of securing the building more so than what we've done?

John Boyle: That's part of what we're going to be talking about this afternoon with doing the north lot. You're supposed to have these setback distances from the building, so, we're going to try to implement that. It's a 4 phase process that's going to be spoken about this afternoon. We have tried some things like making sure all the visitors come through the south entrance. We've run into a little resistance because we're a free open society in North Dakota. Highway patrol had money 7 years ago and they did a whole study and we're starting to implement some of that stuff.

Chairman Thoreson: We are the most open capital facility of anywhere in the country. That kind of goes to what happened last week when there was the fire alarm issue. One thing that concerned me that the building wasn't completely empty; I know several people who didn't leave the building. Are there sweeps that go on?

John Boyle: We have what are called floor coordinators. On our floor we have 2 people that walk the floor and encourage everyone to leave. As everyone comes down, they have a gathering place someplace outside of the building and they check to make sure everyone is there and they report to facility management. Legislative council has floor coordinators also.

Representative Glassheim: I don't know if there's anything to be done about it and maybe if there real raging fire it would be different. But, we were backed up at the west door and waiting for people to get out.

John Boyle: We really depend on people to get up and move once they hear the alarm. If it works the way it should, there will be no backups in the stair wells, etc.

Representative Brandenburg: When we start working on the capital building, those desks that we set at are getting in tough shape. Are you going to look at touching that stuff up?

John Boyle: That is part of this project.

Pam Sharp continued with the green sheet.

Chairman Thoreson: That's to block off the tunnel under there?

Pam Sharp: That's right.

Explanation continued.

Chairman Thoreson: So is there limestone that has to be replaced?

John Boyle: There will be a few panels that will need full replacement. Most of them will be reattached; even if there's one that's cracked across, we'd rather reattach it than replace it.

Chairman Thoreson: Where do you get something that's going to match what's there already?

John Boyle: \$800,000.00 is to clean the existing limestone.

Representative Klein: One of the problems is that the last time some of that was done the caulk that was used wasn't of quality grade that would stand up. So every so often they have to clean it out, put new material in.

Explanation of the green sheet continued.

Chairman Thoreson: What are those improvements; what are we doing?

John Boyle: That project will include looking at the limestone as well. The largest part of that project will be behind the liberty memorial building. There's an outdoor stair well that goes to the top of the building and that's what they use as their second way of getting out of the building. If the fire's between people on the 3rd floor and the stairwell, they use that. We thought it would be a good time to enclose that; because during the winter if it snows and there's a fire in the building, it will have snow and ice on it. We would enclose it and put a regular stair well and we'll make it match the building.

Chairman Thoreson: What year was that building put up?

John Boyle: That is the oldest building on our campus and was built in 1922.

Explanation continued.

Chairman Thoreson: I had a conversation with the governor's office about this. I believe we are no longer going to be a part of Midwest Governor's Association?

Pam Sharp: I think we're just going to do Western Governor's Association.

Explanation continued.

Chairman Thoreson: That's probably going to be the big issue we have in this bill; I know there's discussions between leadership on that.

Explanation continued.

Representative Kempenich: Has that administrative 3 position been filled?

Pam Sharp: I believe that is one that has been reclassified and put into facility management for the Heritage Center.

Representative Kempenich: I see they're asking a couple of FTE's also?

Pam Sharp: Yes, they are. That would be for their own staff. The ones that we're putting in there would be part of our maintenance and custodial.

Representative Kempenich: How many open positions do you have? Did you fill that custodial position?

John Boyle: We're interviewing right now for that position.

Representative Kempenich: It's mainly the Heritage Center.

Pam Sharp: We should have only one vacant position and that's the one we're giving back.

Representative Klein: One thought I had is in the interim while you have these 2 employees waiting for movement over to the Heritage Center, I suppose you plan to use them in various other positions until they're needed at the Heritage Center?

Pam Sharp: Those positions are vacant right now; so, there's no one sitting in them and they're going to be reclassified and they won't be filled until the Heritage Center is done.

Representative Klein: So there won't be a waiting time?

Pam Sharp: No, there won't be. Their special fund positions so there's no general fund dollars in them.

Representative Brandenburg: I have a question going back. On the surface track owners and the mineral track owners how did OMB end up with these tracks of land?

John Boyle: Originally back in 1889 this fund was allocated; I believe it was 33,000 acres of land; some of that was sold off, given for homestead acres, etc. Those are the mineral right lands in the surface. All the surface acre lands are included in the mineral rights land. I believe it's 27,000 acres is what they have for mineral rights and those are allocated to that building trust fund.

Representative Brandenburg: The land department is charging the land and the mineral rights; but there's a fund that goes to the building fund off this?

John Boyle: That's exactly right. When it was originally established, it was set up to be used for maintaining the capital complex.

Representative Klein: When many of these state organizations; the University of North Dakota, North Dakota State University, Valley City, Mayville, Ellendale, at that time they all received a certain amount of federal land that was still available in the state dedicated to help that particular facility and whether the land was sold; the mineral rights usually were retained after a certain date. In some cases, they don't own the land, but they kept the mineral rights. There are a number of those funds. The later colleges Minot State, Dickinson; they didn't get any of that money anymore. The land was either sold or homesteaded or used up.

(Inaudible)

Representative Klein: One of the key things that boosted this fund is that some of those mineral rights are up there in the oil patch. When they lease those, that boosts that capital fund by quite a bit.

Representative Brandenburg: Thank you for the explanation. This thing could turn into more if the oil development keeps happening.

Representative Klein: Then the state would get oil revenue off that.

Representative Klein: Closed the hearing.

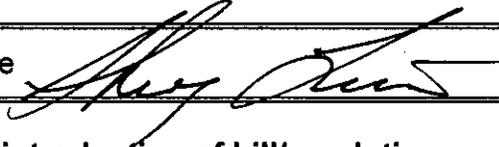
2011 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Government Operations Division
Medora Room, State Capitol

SB2015
April 4, 2011
Recorder Job# 16285

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 provide an exemption; to provide for various transfers; to provide legislative intent; and to declare an emergency.

Minutes:

Chairman Thoreson: Opened the discussion on SB2015. It was noted that all members were present.

Representative Kempenich: HB1031, HB1119 and HB1426 are the bills that will affect their budget. I'm not sure if they have passed.

Sheila Peterson, Fiscal Management, North Dakota Office of Management and Budget: They all passed.

Representative Klein: We've talked about the \$150,000.00 for the one time funding for the 125th anniversary and the fact that there's \$50,000.00 over in the budget for the Heritage Center. These 2 work together or are they doing the same thing?

Pam Sharp, Director, North Dakota Office of Management Budget: They actually work together, the money in OMB's budget is for the temporary salary to hire that person that would do the coordinating. The money in the Historical Society is for expenses and other types of things they would be planning.

Representative Klein: So it isn't 2 people?

Pam Sharp: It is not 2 people.

Chairman Thoreson: It's one person but part of the money was put in one budget and part in the other?

Pam Sharp: That's correct.

Chairman Thoreson: Any particular reason why it was done that way?

Pam Sharp: The salary is in OMB's budget. Because there will probably be several people involved in determining who this person is going to be; I'm not sure what group it is that's going to determine who hires this person.

Chairman Thoreson: Under facility management there's the \$400,000.00 for the exterior signage. I know you serve on that committee Representative Klein.

Representative Klein: The signs have been an ongoing project for a number of years; trying to do some standardization at the various entrances into the capital area. It's a program that they've studied and restudied and finally came up with a standardized solution to have similar signs throughout the entries; and eventually signs on the buildings also. They all fall into the same category. It's something that has been discussed in that committee for a number of years and they finally decided on a standard and a methodology.

Chairman Thoreson: That money comes from a fund that's established for the capital, is that correct?

Representative Klein: Yes. When North Dakota became a state, they received a certain amount of land from the federal government. (recording glitch) The cafeteria and café haven't been redone for 10 or 15 years; and then the south entrance we talked about closing that off and redoing that.

Chairman Thoreson: And those dollars are only used for the capital, is that correct?

Representative Klein: Capital grounds; like for the governor's residence, which we heard has a roof leak and some of these other things. It's for the whole grounds area. That's why you see a number of projects is because this year we have some money to do some of these things that needed to be done for a number of years; but have been put off.

Chairman Thoreson: I have no problem with improving the capital grounds. I think it's important to keep our building looking the best it can; and the facilities around it.

Representative Klein: That number 5 is the capital building itself. The last time it was redone, the caulk that was used on all those panels was a poor grade. What we're afraid is going to happen is as moisture gets behind there and looses them, they'll start falling off. Typically, what you have to do in all brick buildings, you have to retuck and clean out every so many years.

Chairman Thoreson: The funding for these other projects comes from the fund; that's coming from the general fund?

Representative Klein: That's coming from the general fund.

Chairman Thoreson: Why was not funded from this other fund? Was there a reason for that?

Pam Sharp: The projects that are funded by the capital grounds trust the capital grounds planning committee is aware of how much money is there and they prioritize and approve projects; within the limitation of the funding in there. They're focusing on restoration and fixing things up. This \$2.8 million is a maintenance necessity. We've been funding those from the general fund. There wouldn't be enough money in the capital grounds trust to fund maintenance.

Chairman Thoreson: So that's normal that you fund it from the general fund; because, otherwise, if you add those other things up it exceeds the amount of the \$2.8 million.

Pam Sharp: Right.

Representative Kroeber: I'm looking at the selected trust fund balances from June 2010 through June 2011 and there still looks like there's \$898,000.00. This was as of March. I don't know if we've taken any additional dollars out of that fund or not; it's called the capital building fund.

Chairman Thoreson: There's just short of \$900,000.00 in it?

Representative Kroeber: Just short of \$900,000.00. As Representative Klein mentioned, we did have a balance of \$1.3 million; and then we estimated a balance of \$3.3 million. There's considerable more dollars in this fund this biennium than last biennium.

Pam Sharp: That committee is focusing on restoration; trying to get things back to the original state; polish the brass columns in the memorial hall, interior restoration not focusing on maintenance.

Chairman Thoreson: Kind of preserving what's there.

Pam Sharp: Yes.

Chairman Thoreson: There's that \$1 million for the brass and wood restoration projects. I know we had some discussion about what wood was going to get done first, etc.

Representative Klein: We need to address the governor's residence roof replacement. That has to be addressed also before we get some real serious damage in that area.

Chairman Thoreson: Does that come out of this then also?

Representative Klein: That would come out of the capital grounds fund.

Chairman Thoreson: So that's a maintenance thing that comes out of that fund; but the building comes out of the general fund. Is that correct?

Pam Sharp: It does. I guess the committee can chose to have that come out of capital buildings trust. That roof issue was something that neither we nor the committee was aware of until just in the last few months. So, the committee might be considering that for that reason.

Chairman Thoreson: Again there's being money expended, \$1.678 million for repairs of other areas, the parking lot, etc. What's being done with the Liberty Memorial building, do you recall Representative Klein? The Liberty Memorial building there's the \$650,000.00 for that?

Representative Klein: Part of it is there's an open fire escape on the outside and under the new rules and guidelines, that has to be enclosed. We're going to provide additional parking to the northwest for about 3,200 cars.

Chairman Thoreson: I'm looking at section 2 of the engrossed bill.

Representative Brandenburg: I know we've talked about it before; but, this property tax relief.

Representative Klein: See attached amendment 2015.4.4.11A. Made a motion to move the amendment.

Representative Kempenich: Seconded the motion.

Representative Glassheim: I think it's really ill advised and really responds to national politics. Prairie Public is an institution that we've involved with for many years and we've put significant dollars into digitalization. They're much watched and much loved. They're children's programming is thought highly of and used in classrooms. There was just in Sundays paper a report on the Theodore Roosevelt item documentary which has been shown on 170 PBS stations nationwide.

Representative Klein: In response I need to say that I watched the first series of the civil war and I found it very interesting. I believe that part of the reason I put the amendment in is we've discussed this thing. I'm convinced in the end that there'll be money for Prairie Public; but, how much. Since the senate added \$400,000.00 I was going to get into conference committee and see if we could arrive at a compromise. Where we'll end up, I don't know.

Representative Glassheim: I understand that it's a negotiating strategy but to go from \$1.8 million down to zero is a little extreme. The governor's budget had the \$1.3 in it and the senate added \$500,000.00. If you wanted to leave room for negotiation, I could see going down some or taking the senate's off.

Representative Klein: The other thing it does is it changes it back to the 3%/3% from the 4%/1%.

Chairman Thoreson: This amendment does also include a change in the state employees' salary compensation. I was not certain that this was part of this amendment because that was something we were going to discuss also with this bill. I'm going to support the amendment for the changes to Prairie Public Broadcasting. I think we too will have some discussion with the senate on that.

Representative Kroeber: I'd like to propose a substitute motion to remove the \$500,000.00 but to leave the governor's proposal of the \$1.3 million in tact.

Representative Glassheim: Seconded the motion.

Representative Kempenich: I can support that, I can't support taking it all out. You have to look at the bigger picture on this in this area. I was thinking about dropping it to \$1 million and leaving it at that.

A voice vote was made and it couldn't be determined the outcome.

A roll call vote was made for a motion to move the substitute amendment. 2 Yea's 5 Nay's 0 Absent.

Representative Dahl: See attached 2015.4.4.11B.

Representative Dahl: Made a substitute motion of to reduce the Prairie Public appropriation to \$1 million.

Representative Brandenburg: Seconded the motion.

Representative Klein: How much does your substitute motion put into it?

Representative Dahl: A total of \$1 million. The \$500,000.00 that the senate added in comes out and in addition to that \$300,000.00 that was in the executive recommendation would come out for a total of \$1 million.

Chairman Thoreson: I did see this list also. There are some other funding sources; apparently the Bank of North Dakota is doing some sponsorships of programming. The bank president did send me some information about that. There are other state dollars going into public broadcasting that way.

Representative Glassheim: I'm not sure what this \$3.3 million is. So it's not correct to say it's a donation to Prairie Public; it's not going to be repeated. The 2 main items are from the 2 universities which buy services of things they can use and need.

Representative Dahl: I said they were not necessarily grants but they were funds coming from other state supported institutions; whether it's sponsorships or grants, that's not defined in here. All I'm saying is there are funds from those institutions going to Prairie Public.

Representative Glassheim: They're purchasing services. So, when we buy road materials from a private contractor, it's not the same thing as giving them money. We're buying services for a product that they produce.

Chairman Thoreson: Are you aware of what services they're buying?

Jack McDonald: Some of those are station management. They manage the radio stations at North Dakota State University and UND. They provide management services to run KFJM and KDSU; and I think they do lease some management services at a couple of other campuses as well.

A voice vote was made and carried.

Representative Klein: Made a motion to move the amendment on the state salaries.

Representative Kempenich: We're going to need to address the cost to continue. I beg to differ that state employee's are any less or probably well more compensated than the private sector for the most part. I'll support this but I think we're going down a slippery slope. The reason that this probably isn't the best idea in the world because it's tied to the benefit package for the 1%/1%; so it basically zeroes out that second year. That's the most problematic about this.

A voice vote was made to amend the state employee compensation and was carried.

Representative Brandenburg: On this property tax, we need to cap this thing. I think it's at \$347 million. I make a motion to put a cap on property tax relief.

Chairman Thoreson: You're motion is to place a cap on the amount provided for the property tax sustainable relief fund. At what dollar amount Representative Brandenburg?

Representative Brandenburg: Whatever it is this biennium.

Chairman Thoreson: \$347 million?

Representative Klein: What was that number?

Representative Brandenburg: \$347 million.

Representative Kempenich: Seconded the motion.

Representative Kroeber: One of the questions I would ask and that would be by capping this, I know the amount of dollars that are required are due to the mill levy buy down for education. That's in a different section and I would like to know how this will work when we just say we're going to cap it and how it will affect that. I don't know if we need a little review of that section and how it works; but I would like to know how it will work when we just put a cap on it.

Sheila Peterson: You would need a number of amendments to accomplish that. Changing the transfer in section 5 is perhaps the most minor to cap the mill levy. Second you would need to med DPI's bill; because right now, in their mill levy reduction grant line there is the higher amount based on the value of the 75 mills. That would probably not be a major amended. The biggest amendment is going to be in changing the statute relative to the 75 mills. Right now, school districts are capped at 110 mills. If they are limited to the

\$347 million; that cap is going to have to be removed, there's going to have to be some allowance for them then to levy those property taxes locally. Also, I can assume with the cap, where it's not a flat 75 mills; I am assuming that you're going to have to have some type of a proration of the \$347 million and how that's going to work and if you're going to look at school districts with larger efforts, smaller efforts, etc. I think it's that statute that will take the most time to sort through as to how do we get a mechanism in there to cap it. Apparently that is in HB1047, right now, for the upcoming biennium.

Representative Brandenburg: I know there's a lot to this issue and probably something that full committee should talk about.

Chairman Thoreson: You had made a motion and a second, correct?

Representative Brandenburg: Correct.

Chairman Thoreson: Are you proposing that those would be removed and you would have an amendment prepared to bring to the full appropriations committee to discuss this?

Representative Brandenburg: Yes, I believe Representative Kempenich made the second.

Representative Kempenich: There's a proposed initiated measure getting passed around and if I read it right, I think it's going to be very hard to defeat it. Every city, every county commission is going to have to come out and challenge that initiated measure. I think it's going to be closer to a 50/50 shot at that thing passing. If it does, we're going to be looking approximately \$790 million dollars that the state gets to assume. That's what they're assuming the state is going to do when they take the local property tax off. It's going to be very interesting the next 2 years to see where this goes. They're assuming we're going to pick up that plus whatever local needs are on the state level. I think what we should be doing is addressing this issue at some point in time and have it up for a debate on where we want to keep going with this. I think the citizens of North Dakota are going to make up our minds for us one way or the other. I think we should have the amendments drawn up and looked at least.

Chairman Thoreson: Do you wish to continue your second for the motion?

Representative Glassheim: There is something to be said for responsibility of having local property tax paid by local people; then they get to vote us out if they don't like what we're doing. I've been on the city council for many years and we're very attuned to the fact that if we get out of control, we'll be voted out. Would we be better off putting a money cap or would we be better off going down to 70 mills and periodically adjusting it?

Representative Brandenburg: I know that issue is going to be part of it; because there's a number of schools that didn't hit the 75 mills. So this balance will happen by doing this also.

Representative Kempenich: I'll remove my second for right now.

Representative Brandenburg: Withdrew his motion.

Representative Glassheim: As you're preparing your amendments, you might just want to think about instead of a hard cap, allowing for 2% or 3% rate of inflation.

Representative Glassheim: Explained 2015.4.4.11C and 2015.4.4.11D.

Representative Thoreson: What was the dollar amount for that 1% change?

Representative Glassheim: \$38 million.

Representative Glassheim: Made a motion to move his amendment.

Representative Kroeber: Seconded the motion.

Representative Dahl: If I could ask why you chose 9 instead of some other number?

Representative Glassheim: For the same reason that somebody chose 10 as opposed to some other number. There's absolutely no reason, it's a question of level of comfort. There's no rationale for it; it's just leaving enough so that we're comfortable while freeing up a little bit more for spending..

Representative Kempenich: We should be doubling this number. It was put in as to build an ending fund balance and I think it's gotten a little bigger than what the plan has been in the past; because of the growth in energy. At some point, I have a feeling that we are going to be tapping this and probably fairly substantially. Especially at the rate of growth in the state. We don't need the money right now that's in here or even 1% of it. The thing I see is where do we want the state to be at in 5 or 10 years; it's more of a long term projection. We've gotten to where we are by trying to be progressive and trying to be on a curve that's addressing some of the needs and issues of the state. I think the idea is to help the people that are actually needing help; not subsidizing everyone that comes to the state.

Representative Glassheim: One of the fights between the legislative and executive branch is that the executive budget sets the bar; and then things that legislators want to do have no room. The legacy fund which takes the first year \$600 million off the table and over a few years takes \$1 billion off the table; will give us if we hit hard times, will give us \$150 million in 5 years for the general fund if we need it. We know for the next year or 2 that oil prices and drilling are not going to bottom out; it may over time, but, that's why we have the legacy fund. We're saving a lot of money there and we're being cautious. I think the governor's in the past few years have been very smart between distinguishing between ongoing expenses and one time expenses. There's about \$300 million of one time expenses and the reason for that is if we hit hard times, we just don't do them again. I don't think we're going to need this money to protect us from hard times.

Representative Kempenich: It's money that isn't generated by a traditional revenue source; it's basically oil money. You're on a finite resource and once that's done, it's done. It's easy to get used to; but, when it goes away, it's very hard to make up.

Representative Glassheim: We have \$60 million that we're putting away in the bank; frankly, we're spending \$500 million to \$800 million on oil county roads. If we believe this is going to go away in a year or two or three; then it's a foolish investment to bother with those roads. Why are we making permanent investments in infrastructure if we think it might only last a year? If we're not going to continue with oil drilling, then we don't need all that money for roads in the oil country.

Representative Kempenich: Over the last 10 years there's been quite a disparity of the roads across the state. This is something they've already collected the money on. I think the biggest problem is that it's not so much how long it's going to be; but you grab as much as you can as fast as can because you don't know how long it's going to last. That's a lot of the attitude out there; because, you don't know how long it's going to last.

A voice vote was made and failed on amendment 2015.4.4.11C.

Chairman Thoreson: Closed the discussion.

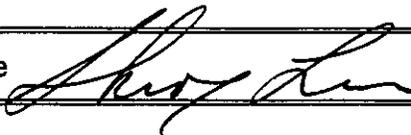
2011 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Government Operations Division
Medora Room, State Capitol

SB2015
April 6, 2011
Recorder Job# 16421

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 provide an exemption; to provide for various transfers; to provide legislative intent; and to declare an emergency.

Minutes:

Representative Klein: Opened the discussion on SB2015. All members were present except for Chairman Thoreson.

Representative Jeff Delzer, District 8: I've been asked by a number of different people to some amendments for SB2015. One of these particular amendments, I would appreciate it if the committee would consider it today and put it on the bill which is amendment .2010. Representative Delzer explained amendment .2010.

Representative Klein: So this amendment basically matches what the senate has done so that we don't duplicate?

Representative Delzer: That's what the essence of it is. The reason I would like you to adopt this particular amendment today; is so that it would show for the budget status tomorrow is not doubled up.

Representative Kempenich: Did the senate put the transfers back in that they took out of this bill then?

Representative Delzer: The senate has put \$370 million into DOT; which covers the \$288.6 million and the \$142 million. They put those 2 back into DOT. They also put in HB1047 the \$388 million which we're talking about here. The senate had removed the \$370 million from OMB before it came across.

Representative Kroeber: Is there a change now in this that the dollars instead of coming out of the permanent oil trust will reflect it now coming out of the general fund? Does that go along with this amendment with Representative Carlson's bill? What's the status on that?

Representative Delzer: That will be the way it ends up reflected as it goes through the general fund and then is spent as general fund money.

Representative Kroeber: This simply takes away the duplication?

Representative Delzer: Yes.

Representative Dahl: Made a motion to adopt amendment .2010.

Representative Brandenburg: Seconded the motion

Representative Glassheim: My only problem with it being put in the general fund is that then it's used as if it were general fund expense. Then people say you spent 15% more than you did last year and everything is growing and it's really tax relief. When you treat it as general fund expenditures it makes appear as if we're out of control. I'm concerned about that.

Representative Delzer: I think some of us have just the opposite fear that when we don't show it as general fund expenditures; that then we're not being honest with the people and what we are actually spending. Even if it's property tax relief, it's general fund equivalent. The issue is if HB1451 passes, which it's still in senate appropriations, if that passes then the permanent oil trust fund will be gone anyway. The only reason to put it into the property tax sustainability fund is to have it there next time, so you have that amount of money covered.

Representative Glassheim: When you do tax relief as an expenditure it sends a erroneous message. Yes we're spending it, but, it's not as if state government is broke. We're reducing people's property taxes at the property tax level and so I don't know why we want to make it appear that we're spending the money.

Representative Delzer: We are though because we don't collect the property tax. The state doesn't collect the property tax. If we're spending state tax dollars on it we are spending general fund dollars for property tax relief. I don't think this amendment really does anything on this issue.

Representative Kempenich: This all goes back to local political subdivision that we have no control over. It is an expense to the state on the state side; it's local political subdivisions that are receiving it.

A voice vote was done on amendment .2010 and passed.

Representative Delzer: Explained amendment .02001. I'm bringing these forward so that they are in the record. I'm not necessarily asking for adoption of them.

Representative Klein: A question I have there is does this still allow for amendments or changes or contract changes as they come along and have to have a 10% fund for handling that kind of thing?

Representative Delzer: I would say the bids would have contingency lines in them and would certainly allow for the contingency lines. I don't know you may need to ask council to research and see whether or not this would prohibit them from coming to the budget section for a change of scope.

Representative Klein: Typically on every contract there's 10% or 15% set aside for contingencies or problems that develop in the contract. In my experience, 90% of the contracts you end up having to make some changes.

Representative Delzer: I would say that would be part of your bid process. Almost any bid has that contingency line and it's usually 10%.

Representative Klein: You're saying that should be in the bid already?

Representative Delzer: That's right. I'm bringing the amendments forward for people so that they can be in the minutes so you have discussion about it.

Representative Glassheim: Unless there's one general contractor, there would be more than one bid for a project.

Representative Kempenich: If it's a complicated project that's going to come in as a prime contract you'll have that before then and those will be subcontracted. You don't do individual RFP's on sewer, electrical, water, etc.

Representative Klein: I share some of the concerns that Representative Glassheim has; because, if you have major electrical or mechanical.

Representative Kempenich: You still only have one contractor.

Representative Klein: I understand that. The changes might be such that he has no way of figuring because of the complexity of the particular project.

Representative Kempenich: You're usually well aware in advance if it's going over the contingency line. This is aimed at something when they get all the bids or get ready to build and there's general fund money left over.

Representative Delzer: I think that this is what it's addressing and trying to address. You may want to have legislative council research whether it addresses it right or not.

Representative Klein: I wonder if OMB had any particular comment on it.

Representative Delzer: That's why it's here before you today so there's some time to work on it.

Sheila Peterson, Fiscal Management, North Dakota Office of Management and Budget: I haven't seen the wording of this particular amendment. One question I would have that if legislative council is going to look into this is Ttis refers to a public improvement

how does that affect highway projects and water projects, etc. For example, DOT has their dedicated revenue sources; so, nobody else can spend their gas tax anyway. I'm not sure why we would cancel appropriation authority.

Representative Kempenich: I don't think there's any special funds affected. It could affect them on the general fund.

Representative Klein: I think we'd appreciate you looking at that from your area and seeing if we need to add some wording or take some out.

Representative Dahl: Could we effectively do this if we just word our general fund appropriations to say, for example, up to \$3.8 million; then if the if bids come in at \$3 million or whatever, they could spend up to that amount. Basically if the bids just came in at \$3 million; we effectively do this.

Representative Dahl: I think you would have to word it such; we currently do word it "up to" that amount. One of the problems you have is normally when you say it that's what the bids come in at. I think what he's trying to get at is if there is an over bid, he doesn't want them changing or adding things that increase the cost.

Representative Delzer: That's currently how we have them worded. I know there's some limitations to what they can do.

Representative Klein: There was also the question on a number of facilities that higher education built and supposedly the desks and things weren't included. I'm wondering if this would also be affected by that.

Representative Delzer: I'm bringing these forward. I think this is one you may wish to ask Representative Skarphol to come in and visit with you about.

Representative Glassheim: What would we do now without this resolution? What's the process now; what would happen?

Sheila Peterson: Nothing would happen. The legislature sets the appropriation and OMB has never had the authority to cancel appropriations that you have set. I think that's a question for the legal staff. When you appropriate it, it stays there whether it's spent or not. You get to the end of the project and if there are dollars left over, then that's part of the turnback after the end of the project. There's no mechanism for OMB as an executive branch agency to cancel appropriations made by the legislature.

Representative Delzer: Explained amendment .02004.

Representative Kroeber: We did it this year without this why do we need this?

Representative Delzer: What this would do is this would mean we'd only have the one bill. We can do it the same way on our side. We would only have the one bill to work with instead of having the two different bills that you had to look at; the governor's bill and the other bill.

Representative Kroeber: Obviously whatever agency we chose has to present a budget during the budget cycle, as of a certain time and certain date, OMB goes through the budget and makes recommendations one way or the other; will this still occur if we don't get a copy of that bill?

Representative Delzer: Everything would still occur the difference is the bill would come to us as last times bill with the governor's recommendation as a form of amendment to that bill. Their process would be exactly the same except instead when council drafts the bill; council would their recommendations in the form of an amendment to last time's bill. It would have the same information plus you would have on that amendment what the agency requested of OMB to start with and maybe we should even consider Representative Glasheim's suggestion that they print the OAR's on that amendment as well.

Representative Klein: If I understand this correctly we wouldn't have the 2 bills like we had this last time it would all be in one format.

Representative Delzer: Right.

Representative Kroeber: If we're looking for their request we through those on every budget now. We just check with OMB and normally when they come in and make their presentations the agencies take and tell us what they requested and what was granted in the governor's budget. I fully understand why we're trying to do this but I don't see the need for it.

Representative Klein: Is this to have the people not on appropriations have a better understanding?

Representative Delzer: That's the number one goal is to have it make more sense to the non appropriation members especially on the house side. There's usually more pressure in the house than in the senate. Normally that's the case. There's also less involvement between appropriations on the house side. It also sets the fact that we are changing what our budget is. When we adopt the governor's budget we're changing our budget to match theirs. It brings the same information forward but it changes it so that everybody understands that we're changing our previous budget; instead of reducing the governor's budget or increasing the governor's budget.

Representative Dahl: Are we effectively making the recommendation for the governor?

Representative Delzer: No, the governor's recommendation is still there. When it's in the form of an amendment you adopt the portions of it that you agree with. Currently, we have to remove the portions of it we do not agree with.

Representative Dahl: Just to be clear it says "That the appropriations for those particular budgets submitted by the governor must be at the same level of ongoing funding as provided by this legislative assembly. So we are making his recommendation for him.

Representative Delzer: No, we are not. We're saying the bill is the same as it was last time; because that's the last action the legislature took. We're taking his recommendation but it's not in the form of a bill it's in the form of an amendment.

Representative Delzer: Explained amendment .02006.

Representative Klein: I can understand the logic especially affecting agencies like the Insurance Commissioner. I'm trying to think of it in terms of higher education and the research facilities at UND and North Dakota State University. Would that be involved also when they apply for research grants?

Representative Delzer: When you look at the bill they probably would be; and I'm not sure that is the he wants. I think it's the state agencies excluding higher education.

Representative Klein: I can see that being a tremendous problem.

Representative Delzer: I can't speak for Representative Carlson. But, I would say that it's probably not his intention.

Representative Glassheim: If we're going to this, we might want to consider an amount. Even if you exempt higher education, maybe the health department will get small grants. You may want to put over \$50,000.00 or over \$100,000.00.

Representative Delzer: That's something you would need to discuss with Representative Carlson.

Representative Delzer: Explained amendment .02007.

Representative Klein: This would get them involved in the front end?

Representative Delzer: I believe that's his expectation of this.

Representative Kroeber: It says the information department prior to proceeding with any study recommendations. Don't they basically do studies to figure out what it is that they to do? Before you even study it you have to get IT involved; don't you have to kind of have an idea if you're going to need it or want it before you begin a process?

Representative Delzer: I think the issue there is before they get too far into it they want to get ahold of ITD and discuss it with them; because ITD quite often has some very good ideas and information on how to do it. Certainly, they would decide whether they want to pursue something or not first; but, before they plan on how to proceed with that, then I think that's the essence of this amendment.

Representative Klein: Maybe we need to twist some language in there.

Representative Glassheim: I can understand involving IT in the study, but, is this different from what we do now? "The state agency must receive approval from ITD prior to proceeding in the study recommendations."

Representative Delzer: I think very well may be new. You would need to speak with Representative Skarphol on that.

Representative Bette Grande, District 41: Explained amendment .02003.

Representative Klein: I would think that operating with the committee that's smaller would be a lot better. I think the best committee would be 5 or 7 people.

Representative Grande: The issue is that these issues are very complicated and trying to explain to the entire body about a benefit package is very confusing to them. I agree with you in some of these policy committees during the interim the smaller the better. In this one where you're dealing with very complicated issues it's better that the more eyes that see it, the more people that understand it when it comes to the floor; it lends to a better understanding for the whole legislative body.

Representative Klein: I understand what you're trying to get at and I think Representative Kroeber would agree that just because you serve one stint on the interim committee the issues are much more complex than that. You just about have to be involved in it 5 or 6 sessions before you find out where the system is at.

Representative Dahl: I understand what Representative Grande is getting at and I don't think that the number of people on this committee is so enhanced that it becomes too unmanageable to move forward.

Representative Kroeber: I have really tried to encourage our members to apply for the employee benefits committee; especially those that are on or have been on or think they would like to get on GVA. I know how really difficult it is to not have background on the GVA committee with the employee benefits. I have tried to encourage our people to apply for this committee and I can see some merit in this amendment.

Representative Delzer: I think that's now all the amendments that I have for now; there probably will be some more coming forward.

Representative Klein: I would have OMB take a look at that one area as to the wording we might want to put in that; where the bid comes in and how do we best handle that. I'm sure you'd like some guidelines also. What is the proper amount to have set aside for incidentals and changes that need to be done. Typically, if I recall correctly, the federal government if you don't have that much money for contingencies you can't award the bid. I want to say it's above 10% that they have to have before they can go ahead.

Pam Sharp, Director, North Dakota Office of Management of Budget: We'd be happy to look at that language for you.

Representative Klein: Closed the discussion.

2011 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Government Operations Division
Medora Room, State Capitol

SB2015
April 11, 2011
Recorder Job # 16473

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 provide an exemption; to provide for various transfers; to provide legislative intent; and to declare an emergency.

Minutes:

Chairman Thoreson: Opened the discussion on SB2015.

It was noted that all members were present.

Representative Klein: Went through the numbers of amendments that should have been passed out.

Representative Craig Headland: Explained amendment .02014.

Chairman Thoreson: It says shall consider studying but I'm assuming that you would appreciate affirmative choice on this one. That they would look at this during the interim and the next legislative assembly would come forward with some kind of procedure to change that. Is that correct?

Representative Headland: That would be correct. It was asked for by attorney Dan Buchanan if I could find a place to put the study. Representative Carlson mentioned that this bill was still in committee.

Representative Kempenich: Made a motion to move amendment .02014.

Representative Brandenburg: Seconded the motion.

Representative Glassheim: It sounds like it's more to do with not changing all home rule; but, making sure how citizens can initiate home rule changes. I don't know why that wouldn't just be a bill next time. We're not going to do this time anyway, why wouldn't it be a bill and I'm not sure it's broad enough to require a study.

Chairman Thoreson: If they have the opportunity to consider studying it. I'm not certain that there's any harm done in doing so.

Representative Glassheim: You're opening up the whole issue of home rule. I think what's desired is narrow and simple and doesn't need extensive study.

Representative Dahl: I agree with you that there seems to be a specific situation which should be clarified in statute; but the other thing to add is the way I read this is we should study the procedures for proposing, adopting and implementing changes to the charter. I think it's a little more defined. It's talking about changes and that process; so, I don't know that it blows the whole thing wide open.

A voice vote was taken on amendment .02014 and carried.

Chairman Thoreson: Let's go back to amendment 02001.

Representative Klein: I had asked OMB to look at the wording and I was wondering if they had any additional comments that they would like to make.

Pam Sharp, Director, North Dakota Office of Management and Budget: I do have some concerns with this language. I think there are many different situations where this could cause a problem. In some instances, for example, the furniture and fixture won't be under that one bid. If this comes in low and everything is cancelled, they may not have enough money to buy the furniture and fixtures. This is just an example; but, there could be things like that that this might hinder any agency.

Representative Klein: Do you have any proposed language or ideas to correct this?

Pam Sharp: I don't have any language at this time. Right now the way it happens when the project is done, then the excess money is turned back to the general fund. If the scope is increased, it has to go before the budget section to get approval of the scope being increased. I think we're still covered in that area.

Representative Klein: Now you wait until the project is complete and then the money comes back to the general fund. This would do it right after the bid award?

Pam Sharp: That's right. There's one project in mind in addressing this. You brought up some good points about contingency funds and things do happen after the bid opening that are sometimes out of control and you need to have some flexibility. I would hate to see all of the flexibility taken away.

Representative Klein: Isn't that contingency fund normally figured into the budget?

Pam Sharp: Yes it is.

Representative Klein: That might vary by project. A complex project with ITD, etc you might figure a higher contingency than you would for a simple straight forward project. If I understand that correctly.

Pam Sharp: That's correct.

Representative Glassheim: Right now they can't expand the scope without getting without getting budget section approval. Would they need approval from OMB or the budget section? Does anybody watch the scope now?

Pam Sharp: I believe the scope changes do have to be approved by budget section.

Sheila Peterson, Fiscal Management, North Dakota Office of Management and Budget: We have seen scope changes go to the budget section. There isn't an opportunity at that point to use general fund dollars for those scope changes. If it's just the general fund they have, there isn't a mechanism to get more general funds.

Representative Glassheim: The point is that there is only so many dollars appropriated, but if the bids are lower than the appropriation, you could spend more by expanding the scope within the appropriations. This seeks in some way to not have that happen or only have that happen under some kind of supervision; either by OMB or by the budget section. That does seem reasonable to me; although it doesn't seem reasonable to just say the bid amount is the total and hand everything back tomorrow. So, what I'm asking is within legislative appropriations can they expand the scope of the project now?

Pam Sharp: I would have check. I don't think they could expand the scope without some kind of approval.

Representative Glassheim: What if OMB must approve any change order or expenses over the bid amount? That would give you more work to do; but at least some eyes would be on and then you could report that to the budget section also. I think we want to allow for legitimate change orders; but, not allow for significant changes in scope under the bid amount. Would something like that work?

Chairman Thoreson: I understand what the intent is of this. I know you're looking to find some other language to accomplish the same thing but still give some leeway.

Representative Kempenich: The problem is you're trying to fit government and common sense in the same sentence. You can increase the cost without increasing the scope; it just depends on quality. You don't have to expand the scope to spend more money.

Representative Kempenich: Made a motion to move .02001.

Representative Glassheim: Seconded the motion.

Representative Glassheim: This discussion of contingencies is slightly off mark. The architect puts in contingencies for what he thinks they are going to be. The contingency is in the inflated figure because the architect wasn't sure; but the bidders make it more certain by calculating down to the last dime what they're going to bid. Back to your point about desks that would be a change in scope. If you're bidding for wooden desks and then get marble, that would be a change order. That's what I want to not have happen; but, let OMB

or budget section approve them. You still have to allow for the legitimate change orders that come from new knowledge while you're building or something small that has to be changed.

Representative Brandenburg: On different building in different construction where a bid is put out there and you stay with the bid of what's been proposed, that's what that project is going to come in at. Where there always seems to be a change when someone in the product wants to make a change. If you stay with what you want it's not going to be higher.

Representative Klein: I would ask OMB after our previous meeting; did you get a chance to come up with any kind of words you'd like to put on there to make your job easier.

Pam Sharp: I did not get a chance to talk with Mr. Boyle and Joel Leopold. They are in today and I could visit with them today.

Representative Dahl: Maybe a third way to do this is maybe be if the bid comes in at a certain level; but, then there are issues of furniture or whatever, to have the budget section approve those additional amounts.

Representative Glasheim: My only concern would be the time. We meet once a quarter and if there's a change order you don't project waiting three months for us to meet. Let me try mine again. OMB must approve any change orders or expenses over the bid amount and report these changes to budget section.

Representative Glasheim: Made a motion to move his amendment.

Representative Dahl: Seconded the motion.

Representative Glasheim: We wouldn't want to turn back the money right to the bid amount, we'd want to allow for that extra if it's reasonable. By having OMB decide if it's reasonable, I think we get certain protections. OMB isn't going to approve an entire new wing to the historical society just because there's a little money left.

Representative Klein: So somewhere in your language concerning the change construction of the original facility.

Representative Glasheim: We've all agreed on a project and then they find something over the bid amount would be what we already agreed in advance; and there would only be changes approved by OMB that would seem legitimate.

Pam Sharp: The wording that we have right here talks about public improvement and it just occurred to me that now that the infrastructure money for the roads is flowing through the general fund, that might be considered a public improvement; and we probably don't want to include any of that in. OMB would never have any expertise on roads if it came in over the bid.

Chairman Thoreson: I'm not certain of the intentions of Representative Skarphol, if he did want to include that or not.

Pam Sharp: I just noticed that the date on this is amendment is March 9, 2011. At that time, I don't know if the infrastructure money was running through the general fund. This just addresses general funds; we'd want to clarify that.

Representative Klein: So you're having heartburn over the wording of public improvement as to what it's real meaning would be.

Pam Sharp: Yes. In this one it says public improvement; and it's just referring to the general fund. Normally, any highways wouldn't fall under this because they're usually not general funded; but, now we have a lot of infrastructure that's coming directly out of the general fund.

Representative Glassheim: Restated his amendment.

Chairman Thoreson: Are you just dealing with general funds?

Representative Glassheim: These are general funds.

Representative Dahl: With regard to this chapter, it talks about upon accepting a bid under this chapter would transportation or infrastructure necessarily fall within this chapter?

Chairman Thoreson: What does 48-01.2 do?

Brady Larson North Dakota Legislative Council: That chapter just discusses public improvement bids and contracts. It appears to relate mainly to buildings. I don't see any reference to roadways, but, I will research this further.

Representative Kroeber: On this I have one other question and it would be on Representative Dahl's possible amendment. It seems that to me that most of the time when we come to budget section, we really only act on bills that have already gone through the emergency commission. Would this have to go through the emergency commission and then come to budget section?

Representative Dahl: I actually think that Representative Glassheim's amendment is better than going to the budget section.

Chairman Thoreson: I guess we can get an answer for that when we come back later today. Let's go to .02003.

Representative Dahl: Made a motion to move amendment .02003.

Representative Glassheim: Seconded the motion.

Representative Klein: Representative Grande's idea is to get more people involved in the overall process and I tend to agree with her that there aren't enough people that are knowledgeable in that whole system. I have the feeling that expanding the committee is

really not going to do it because whenever you get a large number of people you stray from the direction you're going. But, I don't have any problem with it.

A voice vote was made on amendment .02003 and carried.

Representative Klein: Explained amendment .02004.

Representative Klein: Made a motion to move amendment .02004.

Representative Brandenburg: Seconded the motion.

Representative Kroeber: I'm going to vote against this amendment. I think the governor has the authority to bring in the budget as they like; and we obviously have the authority to support or not approve those particular recommendations. I think if we want to do this we can do it the same way this year in having 2 different bills. I personally don't think this is that good of an idea.

Representative Kempenich: I respectfully disagree. It's set up a lot better now than in the past that you can read through what 2007-2009, 2009-2011 and now 2011-2013 and seeing what percentage decreases and what increases are. It wouldn't be taking away anything from the governor's ability to recommend; it would just be in forms of amendments instead of being the bill itself. They could still give the state of the state speech in December and recommendations. The governor does have the ability, by perspective, the ability to appropriate.

Representative Dahl: I have the same concerns about those issues that Representative Kroeber discussed. We're trying to manage expectations because it's difficult to reduce from the recommendations. I don't think this effectively deals with this because these proposed draft amendments would then be the de facto recommendation. If we didn't fund up to that level, we would still be cutting and then we have the same argument.

Representative Glassheim: To me it's easier to work from a base with one person working statewide instead of a whole mass of people. I don't have any problem with saying no to the governor if something seems foolish to me. I get disturbed when we complain that we're portrayed as cutting the governor's budget.

Representative Kempenich: Most of these budgets and we got a little education this morning on the cost to continue. Most of our money has been spent on one time expenditures and what gets frustrating most of any excess, if there is any, is usually taken away from individual legislators for any initiatives outside.

A voice vote was made on .02004 and carried.

Representative Klein: Explained amendment .02006. and made a motion to move .02006.

Representative Kempenich: Seconded the motion.

Representative Klein: Made a motion to further amend to exempt the North Dakota University system from the requirements of this amendment.

Representative Glassheim: Seconded the motion.

Sheila Peterson: I would ask for further clarification. There are thousands of grants that are already in the grant schedule in your budget documents that through appropriation you're approving. You don't mean those, correct?

Representative Klein: Are there other state agencies that apply for a number of small grants like human services, etc. We're not interested in the \$3,000.00 to \$5,000.00 grants; we're interested in the major ones where when you accept a grant you probably accept some commitments for it. I think that's what's behind this particular area.

Pam Sharp: Maybe what you're getting at is that they would have to go to the emergency commission to accept that money. The grants that are built in the budget they already have authority for and they have the spending authority for those grants. If they apply for new grants over and above that, they have to come to the emergency commission to accept that money. Is it those grants that you would like to have a heads up on; that they're going to be requesting?

Representative Kempenich: I think it's upcoming grants. What they have authority for are committed by the federal government. I think it's to get exposure to federal spending and that we're committing to outlying years to have a handle on if these grants get pulled, what we are going to be faced with as far as state dollars.

Pam Sharp: So you're talking about all the ones in that book?

Representative Kempenich: Those are basically committed to now and some of those are on going grants. I'd like to see what the federal government's committed to now and any future grants that are coming forward we'd like see also.

Pam Sharp: We would have to give the agencies some criteria for what we need to have reported.

Representative Glassheim: What's the situation now? Do you have a handle on federal grants that each agency has applied for?

Pam Sharp: Everything that's in the budget is listed in our book.

Representative Glassheim: Do agencies in the interim apply for grants?

Sheila Peterson: Occasionally, then they would come to the emergency commission and budget section to get the authority to accept and spend that.

Representative Glassheim: This would just ask for them to notify you and say the amount, purpose, number of employees, time period and any match requirements. That's what would be required of them for anything they apply for during the interim. Is that

everyone's understanding? You wouldn't say yes or no; this would just be informational to OMB and then you would report that to the budget section.

Representative Klein: Right now they don't tell you when they apply for a grant for any agency? But when the grant comes in to get approval to spend they have to let you know and the emergency commission approval. Is that correct?

Pam Sharp: That's correct. Unless it's something that they were anticipating when they prepared their budget and included that federal spending authority in their budget; knowing that they were going to apply and most likely get that grant, then they would already have that authority. If it was something over and above that, then they have to get new authority.

Representative Glassheim: What are we talking about both in numbers and in dollars? If you have a way of printing something out or knowing about what we're talking about now, that would be helpful.

Representative Kroeber: Would the medical school be part of the university system?

Pam Sharp: Yes.

Representative Kempenich: I think a lot of this is flowing around the health care issue; where we're going to be at with this.

Representative Klein: Explained amendment .02007.

Representative Dahl: Is there any fiscal impact or analysis done? It seems if we're pulling ITD into more projects it's going to obviously involve more resources and is there a cost associated with that?

Brady Larson: We haven't requested a fiscal note on this item.

Representative Kempenich: One of the things we should look at is the last sentence of this and change the last sentence to "a state agency must receive a recommendation from ITD."

Chairman Thoreson: I do have a bit of an issue with the word approval. I think it does give quite a bit of veto power to one area.

Representative Klein: Made a motion to move amendment .02007.

Representative Kempenich: Seconded the motion.

Representative Klein: Made a motion to further amend .02007 to take the word "approval" out and replace with "receive a recommendation".

Representative Kempenich: Seconded the motion.

Representative Glassheim: I'm not sure of what we're changing and not changing. There was something that went forward that Representative Skarphol was properly concerned about and he's trying to get at it. I'm not sure what we're doing here. Does an agency just go ahead and study things on their own now or isn't CyTech ranking them?

Representative Kempenich: CyTech is basically a ranking, it involves agencies throughout state government and has a couple of legislators on it. CyTech gets involved when the study is usually well on it's way and then they start ranking of what they need.

Representative Dahl: There is a threshold in the law right now in terms of what's concerned a large project. I can't remember if it was \$250,000.00 or \$500,000.00. Is that for the implementation or is that for planning and studying?

Brady Larson: The current threshold is \$250,000.00 for the estimated cost of the project. That would be the threshold for reporting to CyTech.

Representative Dahl: Basically the substance of the law though, we're adding the planning and study of the project; that \$250,000.00 is that for the planning and studying of a project? Are we lowering the threshold or are we adding in any other policy?

Brady Larson: I don't have the specifics of what is included in that \$250,000.00; if it is planning or if it's the actual cost of the implementation.

Representative Klein: So what we're basically doing is changing the threshold from \$250,000.00 to \$100,000.00. Am I correct?

Brady Larson: There would be some additional requirements for projects over \$100,000.00 with this amendment. However, I will note that in statute there some oversight duties by the information technology department for projects costing between \$100,000.00 and \$250,000.00. I would have to get you additional detail regarding exactly those oversight duties are now.

Representative Glassheim: Can agencies just do this stuff without having it in their budget or would we not have to approve a study? Can they get it from slush funds elsewhere?

Lori Laschkewitsch, North Dakota Office of Management and Budget: When an agency is going to put their budget together in order to request funding for an IT project, it will depend on the size of that project; whether they've already done some preliminary planning. Some of that preliminary planning can be just part of their ongoing operating function; particularly if they have some IT staff that can do some of that, some program people to take a look at what some of that is. It depends on the size of the project. If it's a multimillion dollar project they're going to have to have some appropriation to sit down and do that planning and they're going to have to come to you and requested that in a beginning phase. With the smaller project they may have done some of that planning within their ongoing operations.

A voice vote was made on .02007 and carried.

Chairman Thoreson: Recapped amendment .02008. Explained amendment .02011.

Representative Klein: Made a motion to move amendment .02011.

Representative Kempenich: Seconded the motion.

Representative Glassheim: It already exists in a bill that's in conference. Are you going to argue it out in 2 different places?

Chairman Thoreson: The senate did change the bill and in this case it does allow us to have them look at our amendments on this bill. Since SB2015 is going into conference anyway, I'm not certain where we'll go with that other bill HB1141. The leader felt that important also that we place this on this bill.

Representative Kempenich: This game is played every session towards the end.

A voice vote was made and carried on amendment .02011.

Representative Kempenich: I think we should have a little more discussion with the senate on this and I make a motion to remove \$500,000.00 from the parking lot and \$400,000.00 from the signs.

Representative Brandenburg: Seconded the motion.

A voice vote was made and carried on the amendment.

Representative Kroeber: I think the \$500,000.00 for the parking lot is general fund dollars and the \$400,000.00 from the signage is special funds.

Chairman Thoreson: That's from the capital fund.

Representative Kroeber: Correct.

Chairman Thoreson: Recessed the discussion.

2011 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Government Operations Division
Medora Room, State Capitol

SB2015
April 11, 2011
Job # 16484

Conference Committee

Committee Clerk Signature

Janette Cook

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 provide an exemption; to provide for various transfers; to provide legislative intent; and to declare an emergency.

Minutes:

Chairman Thoreson reopened the discussion on SB2015. He stated that there are three amendments that were proposed that had motions taken, but had no action yet.

Chairman Thoreson: Let's look at .02001, the amendment from Rep. Skarphol. I believe we had asked OMB if there was any additional information to bring back.

Pam Sharp, Director, North Dakota Office of Management and Budget: We haven't come up with any other language that is better than what Representative Glassheim came up with. I still would be concerned if you went back to this language, with the public improvement. I am also concerned about canceling the appropriation.

Representative Glassheim: Again explained the proposed language.

Chairman Thoreson: To the issue of public improvement, were you concerned that it might include road projects that are being funded in the upcoming biennium?

Representative Dahl: Brady found in public improvement in the definition section that it specifically excludes transportation projects.

Chairman Thoreson: So, that shouldn't be an issue in this then.

A voice vote was taken on .02001 and was carried.

Chairman Thoreson explained amendment .02007.

Mike Ressler, Director, North Dakota Information Technology Department: After reviewing this, we're fine with the word recommendation. There's been a lot of emphasis

and work that we have put into what we call IT projects over the last biennium. In statute, we have defined an IT project as anything that costs \$250,000.00 or more. With that \$250,000.00 project and above, there are a lot of things that agencies have to do in order to make sure that the state is working together, being knowledgeable, and reporting to the proper people. Also in statute the Chief Information Officer has the ability to ask for some of the same reporting ... (inaudible) started. Then all of these implementation things take place. We have strongly encouraged agencies, when doing their planning, that they include IT at the table. Of course, we all know that the most important people at the table during a project are the business people, because that is the purpose of buying the solution. But, we have also learned that most solutions have a technology component. If any of you have been fortunate enough to be sitting at a table when some of those vendors come in, they speak very highly of their product. So, we have found that it is very beneficial when the IT people are there as well. Then they can hear the solution and ask questions.

Representative Dahl: We're going from the way the statutes are worded, from your office receiving and reviewing and being involved projects over \$250,000, to your office being involved in the planning and study of \$100,000 projects. I would think there would be a cost, and what is that cost?

Mike Ressler: There would be a cost. At ITD we like to look it at the 4 main areas. One is computer... (inaudible). We like to have people from the four units participate in agency projects, so that if they are coming up with a solution these people have, in a sense, bought off on the design or the concept. I envision the cost coming into play when a project team is put together, and they are represented on that project team. They have an hourly rate. Today that rate is \$79 an hour, and next biennium it would be \$89 an hour. As they are working on that project, it would be much like a program, where they would just be charging the project as they are participating.

Representative Dahl: I understand the rate, but going from \$250,000 and getting into a new phase of these projects down to \$100,000 certainly must actually cost. I'm talking about more specifics beyond the \$80 an hour. Just wondering what your estimate of that would be.

Mike Ressler: I don't have a dollar amount, but I can bet that a \$100,000 project is going to cost less than the \$250,000 project and above. So, if I were guessing, I think people like the network architect and the computer systems architect would put in less time than a software development architect. Maybe 10-20 hours per person, per project, could be on the high side.

Representative Dahl: How many more projects are we including by dropping to \$100,000?

Mike Ressler: It probably isn't adding a lot, maybe less than 10 projects for the biennium. Calculating the dollars, it might be about \$10,000.

Representative Glassheim: If you take about 15 hours x 4 people that is 60 hours, times about \$90 an hour, you have about \$5000 to \$6000 per project. This doesn't require any new expenditure by the department, because they are just paid out of the other people's

money. It doesn't require new FTE's. I want to know if we are doing the right thing. Is there any difference between planning and/or studying, and then proceeding with recommendations? I am not sure what we are trying to accomplish. Is studying and planning the same thing?

Mike Ressler: I do think that we are doing the right thing. We all know that the more effort you put into the study or planning phase, the better the odds are that you are going to have a successful project. If you know how the process works, today agencies have a business case, which is a term that is used, when they want to accomplish something. They have to put something together first at their agency level and get permission from their department head, and then go to the Office of Management and Budget and convince them that this is a good idea. It gets included in the Governor's budget, and then gets funded by the Legislature. At that stage most of the detail planning is not even done yet. We have a very rough business case; we have gone out and done some high level planning. Once that is approved, a very thorough study is done. The sooner you have involvement of the technical people, sometimes at the high level, not as much needs to be done, but the deeper an agency gets into a study, the more involvement you should have from the technical people. I know that there is confusion about when the study actually takes place. There is studying done at all levels, but once it is funded by the Legislature, then you will see a very thorough study done by the agency and the project.

Representative Glassheim: Would you say we're looking at preliminary planning; that the change here is to encourage or even require them to be involved with ITD for preliminary planning? Study is confusing because when I think of study, I think of the detailed study. But, you are saying that study could be the same thing as planning at this early stage?

Mike Ressler: It isn't often that an agency comes before you for funding to do a study. When that's the case, we're talking about a very large expenditure, and should we proceed with a project. At those times it is best to do a study, and make sure that we really understand how big of a problem we have; and/or what are the options that are available to us. I believe that it is NOT often that you have an agency come before you just to do a planning. But, we have done that in the past with some very large applications with some of the large agencies. If you look at the current statute today, ITD's involvement really doesn't happen until after we go into implementation. I think this is just bringing out the fact that there is future planning that needs to be done, and by the way let's include ITD.

Representative Kempenich: When does the State Information Technology Advisory Committee get involved in this?

Mike Ressler: Once the business case gets past their department head, then these projects ... (inaudible 14:10) ... actually sits on that committee as well. There are multiple purposes to that process, but one of them really is when an agency, in a sense, gets up and presents to their peers and talks about a project that they are going to provide or ask funding for. One of the real benefits is that when the other department heads are sitting in the room and listening, they could say that they would like to participate or that they have something like that. The purpose of State Information Technology Advisory Committee is that they go through and rank the business cases. It is a tough job because they don't want to tell their peer that their project is ranked lower than someone else's. To that project

head it is THE most important project that they have because they only have the one. We have found that it is beneficial. The department likes the process as well as OMB appreciating it because they get additional information that they wouldn't have gotten before. You may find that some of those projects don't even make it into the Governor's budget. Just because it has been presented to SI Tech and gets ranked, doesn't mean that the Governor will put it as a priority to him.

Representative Kempenich: This isn't really a big hurdle for an agency to meet this requirement, is it?

Mike Ressler: I would agree that it is not. I think most department heads appreciate the input that they are going to get from this process. If you talk to department heads that have done a large IT project, it is unique. It is not like anything they do in their normal job. The more involvement that agencies have working together, I believe they have all found value in that.

Representative Kempenich: We haven't been seeing too many lately, but when we're reading about it in the paper it usually isn't a good thing, so we try to avoid it.

A voice vote was taken on .02007 and was carried.

Representative Kroeber explained amendment .02012 and moved the amendment.

Representative Glassheim seconded the motion

Representative Kempenich: On this, is this one time money or on-going?

Representative Kroeber: What I'm looking for is the part of the highway distribution fund. The amount of dollars that I am looking for is to take and replace those dollars.

Representative Kempenich: This year the transit received \$5.7 million; all this added on money is it just a one-time expenditure over and above last biennium's budget outside of what the Department of Transportation has gotten. That is why I am asking how you want to do this. There has been discussion in the Senate when they talked about the Department of Transportation budget. I don't think anything got done. One of the things that we may run into trouble with on any of this is at some point if the increasing money slows up or dries up the money will get pulled. Most of this increased money, even with the Department of Transportation, is basically considered one time dollars. It is \$2.2 million more dollars than they received last session. That is why I was wondering how you meant to treat it.

Representative Kroeber: I would expect that it would be treated like the cities, counties and townships. It would obviously be re-appropriated each year depending on the number of dollars that we take and have as we do now in the Highway Distribution Fund.

Chairman Thoreson: Representative Kempenich said there was discussion on this bill in the Senate. Are you aware of any discussion on this in Appropriation Committee, when they were working on 1012?

Representative Kroeber: I am not; this was just brought to my attention. Even though we went through the Department of Transportation budget at that time, I personally did not notice that this actually was occurring until it was brought to my attention late last week.

A roll call vote was taken on amendment .02012. The motion failed.

Representative Kempenich: I do understand that there is a \$500,000 increase over last biennium. This might be something that we need to talk about in full committee, because I think that a lot of this extra money that got put in is not considered part of the base going forward. I wouldn't mind talking about it some more.

Chairman Thoreson: We have discussed this, and there was a motion to further amend which we have before us. It would have the requirements of this not applying to the university system. However, we did have some questions about what the purpose was, and what type of grants we are talking about.

Representative Al Carlson explained amendment .02006.

Representative Al Carlson: You would be amazed at the money that we have received in grants in the last three biennennia. What we have are agencies that are out actively pursuing these grants. That might be okay, but the question is who will take over the program when the money runs out? Two things can happen. You get the money and it goes for a productive use. The bad thing is when the grant money runs out; they want the state of North Dakota to fund the program. I'm not sure if the language is perfect, and I don't have a problem with the Higher Education being exempt. But, I do believe that we need a better method to track what grants we are receiving, and why we are taking them. Then we won't get ourselves into a box in the future, so that we are taking over programs. Especially now, that the federal government is really having some budget problems, and they are finally starting to reel in some of their spending. As we take these grants and get programs established, when the money goes away we have to make the decision if it is a good or bad program. So, we should be aware of what the programs do **before** we take the money. We aren't saying that they can't apply for the grants; we would just like to know what they are applying for. If it goes too far, and says that agencies can't apply, that is not the intention of the amendment.

Representative Kempenich: It would be nice if they could rank them on the likelihood of the money being available for future use. I agree with what you're trying to do, but I'm just wondering how you could word this. This is for new grants, I'm assuming.

Representative Al Carlson: I didn't have any idea of it being retroactive because that would just be more paperwork. OMB on the other hand, it does require them to send a report on to OMB that says that a grant was applied for and received. It will require three new FTE's fully covered. You often hear in this room, not general fund dollars. It might be half general and half federal, and then they want us to pick up the program later because it will only pick up the cost of half of the employee. I don't want to make it a paperwork blizzard, but I also think it is responsible on our part to know what programs we are picking

up and getting actively involved in. I think with the money drying up at the federal level that we need to be much more cautious than ever.

Representative Klein: Our concern was that if you didn't accept the university system, we would probably have to end up with three more FTEs, and I knew you wouldn't go for that.

Representative Carlson: They already have plenty of FTEs to apply for grants. Theirs are a whole different ballgame. I understand that the research grants and have encouraged them to do that. We deal with PELL grants and all kinds of things that can help our students with scholarships. We are all aware of PPACA. There are all sorts of grants that are available out there to set up exchanges and other things. The question we have is if we want to do a full implementation or not, or do we want to do a federal exchange or our exchange. That grant could be applied for, and we could probably have received \$15 million if we chased it at this point in time. We probably will see that same \$15 million if that law stays in effect if we apply for it later. It would be nice to know about that for the 15 to 18 employees that they want in the insurance department. I think we should track the grants. It could have big implications later.

Representative Glassheim: Would you have any thoughts about putting a minimum on the amount of money that the grant will provide before it needs to be reported, \$5000 or \$50,000 grants and above? Or, do you just want to do them all?

Representative Carlson: I wouldn't object to some at lower level like \$5000 not being reported. Once they get to be over \$50,000 to \$300,000 they have people attached to them because you need someone to do it when they get to be bigger.

Representative Glassheim: You don't intend to be an approve or disapprove process, is that correct?

Representative Carlson: The way that it is written, they just need to provide.... And then they will bring that to us at the budget session.

Representative Glassheim: It is just reporting information; no one is going to approve the grant application?

Representative Al Carlson: The way I had it written was not to say that we had to go through each and every grant and say yes or no. It is just to get some idea of what is out there.

Representative Glassheim: I suspect that in a couple of years this will morph into something else. I'm not sure, but doesn't the emergency commission already control things by having to approve any new grant that is applied for during the interim?

Pam Sharp: Agencies need to be able to accept the money, and then they need the additional federal authority to spend the money if they don't have appropriation authority.

Representative Glassheim: You already control the money. As you did with the PPACA money, the emergency commission turned down the \$1 million and didn't allow the insurance commission to spend it. I'm not sure that you need this in order to control ...

Representative Carlson: I don't know that we have control of every application that goes out and every dollar that we receive. If they have language in their budgets from preexisting that says, you can accept any and all grants. I don't know if any budgets say that; that could happen. If this does nothing more than create a list for us of what we are applying for, then I think it is a good thing.

Representative Glassheim: It does seem to me that sometimes when you get federal money for 2 to 8 years, you do get a new function that you wouldn't have otherwise had in the state. You also have time to look at it to see if you want it. Then it is up to the legislature to say, yes or no. I don't think that we should say we might lose federal money, therefore we shouldn't take any. The point is that we get new things in the state that done with federal money, and then we get to decide if we want to continue that. Going forward I hope we won't say that the feds are spending less, so let's not take any money.

Representative Carlson: It is not free money, especially if it comes from the feds. It is our money to us. But, I do agree with you that the intent should not be to never take any. That is not how we want to do it.

Representative Glassheim: Is it your understanding that large agencies like the Department of Transportation and Health and Human Services, it's in their budgets; we are not talking about those kinds of monies? We're talking about new grants, correct.

Representative Carlson: Nothing that's in the existing budgets; we have already granted the authority.

Representative Kempenich: I was just wondering if we want to limit it to \$25,000.00 and above? Many times you do see a match of general fund money or special money, and usually that starts an employee. That is kind of the intent. It is a report not a requirement.

Representative Kempenich moved to further amend to \$25,000 and above and exclude the Higher Education.

Representative Klein seconded the motion.

Chairman Thoreson: To clarify, we are going to vote on .02006, which moves to further amend to remove the North Dakota University System and also to limit it to grants of \$25,000 and above.

A voice vote was made and carried on amendment.

Chairman Thoreson: There were no further amendments to SB 2015. We will wait to vote on the bill until the final amendment is prepared.

Chairman Thoreson closed the meeting.

2011 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Committee Roughrider Room, State Capitol

SB 2015
4/12/11
16503

Conference Committee

Committee Clerk Signature

Meredith Tracholt

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:

You may make reference to "attached testimony."

Chairman Delzer: We've got one bill left, 2015, which is the OMB (office of management and budget) bill. There are some amendments to go through.

Representative Thoreson: You should have an amendment .02016, and I move that amendment to SB 2015.

Representative Klein: Second.

Representative Thoreson: There will be some additional amendments also, but this amendment encompasses most of the work done by the government operations division. I'm going to ask Legislative Council (LC) to go through the amendment and then we can have discussion on it.

Brady Larson, LC: Went through amendment .02016, starting with item 1 on page 4.

Chairman Delzer: Can you tell us when the jump was made from \$1 million up? What was it last biennium for the operating expenses?

Larson: I'm not aware what that was.

Lori Laschkewitsch, OMB: The operating expenses have been that \$1.337 million for several bienniums.

Larson: Continued explaining amendment .02016. I'll go over two items that don't really appear in the amendments but they are included; the first is the removal of section 5 from the engrossed bill. That had provided for a transfer from the permanent oil tax trust fund to the property tax relief sustainability fund and it is now removed. That total was about \$388 million. There is also an adjustment made to section 9 of the engrossed bill regarding legislative intent for state employee salary increases. When the engrossed bill came over

from the Senate, it had intent that salary increases were to be 4% and 1% for the upcoming biennium; an adjustment is made to provide those increases be 3% annually. Provided an overview of the sections added in division, beginning top of page 2. Concluded overview of the amendment.

Chairman Delzer: The parking lot issue, it seems we had funded the parking lots this last biennium, and my understanding is they used some of that or are planning to use some of that to cover some of the problems we had with IT during the session here.

Representative Thoreson: Yes, there was the money for that. There was the issue after the power outages which we experienced earlier this year that some of the dollars were going to be reallocated to assist in upgrading the systems, so we wouldn't have a similar situation once again.

Chairman Delzer: How many dollars are they planning to use that were allocated to parking lots?

Representative Klein: The parking lot was a change, adding additional parking to the northwest side. We looked at that and wanted to realign, long term, the parking lot arrangement throughout the area. Right now it's not a very good arrangement. Part of the system also is eventually moving parking away from the structure, which is a requirement having to do with vehicles close to the buildings and explosives and so on, so that's some standard guidelines they were going by. There was \$1 million in the parking lot change in addition according to the capitol grounds planning commission.

Chairman Delzer: And they're going to use \$1 million during this biennium for the IT upgrades. Does that cover all the costs, or is there more than that? My understanding is they're using what we've already appropriated for this year, to cover the IT upgrade costs during this biennium, and then they are asking for more authority for parking lots for next time.

Representative Klein: That's correct.

Chairman Delzer: How much of that are they spending on the IT upgrade, what will it cost us?

Laschkewitsch: \$2 million is what the IT upgrade is. We're using some money that we would for the parking lot, and for the cleaning of the limestone, asking \$1 million for the parking lot and putting off the cleaning for the following biennium.

Chairman Delzer: But there is money in this budget for work with limestone on top of that for next biennium, right?

Laschkewitsch: For next biennium, that was for some of the repair, but nothing for cleaning.

Representative Skarphol: I'm not familiar with the IT upgrades, could you enlighten us on what that means?

Representative Thoreson: This is mostly with the electrical system. We have an estimate from Ulteig Engineering, they came in to look at the generator and other systems shortly after what occurred. It's mostly to get it to where we wouldn't have another outage as such, there would be some upgrades to the system providing power there, there's a generator involved, switching gear, some additional units having to do with cabling, etc.

Representative Skarphol: It sounds more like an electrical upgrade than an IT upgrade.

Representative Thoreson: When we say IT, it ties into so they don't have an outage with ITD, but it's more of the electrical system of the capitol.

Chairman Delzer: Section 11, is that in conflict or does it change the current situation wherever there's a plan for a change in scope? They currently have to come before the emergency commission in the budget section, do they not? Does this change that, or work in conjunction with that?

Larson: This does not change the existing section that requires the change of scope approval from budget section, but we have not looked into detail if there are any conflicts between that section and this section.

Representative Skarphol: Does this section imply that in the event there are general fund dollars left after a bidding process and change in orders and whatnot that there will be a return to the general fund?

Larson: This does not change the existing policy of cancelling unexpended general fund appropriations at the end of the biennium. The current process, where if there are any leftover dollars they are returned to the general fund, that would still continue.

Representative Skarphol: Let's talk about the Heritage Center. It appears even after the changes, after the bidding process and additions made to other categories, there will be about \$3.25 million left. They will be undesignated, there will be no distinction capability. Do we need to more adequately define if we want to return the general fund dollars the parameters within which we anticipate these things to be handled?

Larson: You could clarify it additionally; however, the current process that cancels unexpended appropriations at the end of the biennium would still continue and if the agency wanted to carry any of the funding forward they would still need to go through the normal course of receiving approval from a small committee that allows for the carry forward of funding.

Chairman Delzer: If they want to make any additional changes of scope or anything, they would have to come before the budget section and do that as well?

Larson: That is correct.

Representative Skarphol: Section 9 was an amendment I asked for, on the second to last line the second to last word is 'recommendation,' originally it said 'approval,' what were their thoughts on that?

Representative Thoreson: They are comfortable with this language, as it is written here.

Representative Skarphol: On section 13, the size of the employee benefits committee, that's a committee that needs to have informed people involved. You could spend every interim getting some new members up to speed. What was your discussion on that issue?

Representative Kroeber: We had a great deal of discussion on that, talking about how people who serve on the interim benefits committee get a much better background and knowledge of how the retirement programs operate, and hopefully people who serve or plan to serve on GVA (government and veterans' affairs) will ask to get on this interim committee. Then when they come into the session they'll have a much greater understanding of the programs, plus they'd have the updates of how the funds are doing.

Representative Klein: The chairman of the GVA committee discussed this with us at length. I didn't think it was necessary, but she seemed to think that getting more people involved would help educate more people, so we went ahead with it.

Representative Skarphol: When people put down their preferences for interim committees, is it typically a committee that gets a lot of requests? I'm afraid you're not going to have enough people wanting to get on it.

Representative Kroeber: I think that's part of the responsibility both sides of the aisle should have, to really encourage people who serve on GVA to get on that committee.

Chairman Delzer: Further discussion on the motion to amend with .02016?

Representative Monson: I am concerned about the cuts made to Prairie Public (PP) Broadcasting, taking it below what the governor had put in for operating. At the federal level, there's been a lot of discussion, and a lot of people get the funding for NPR (National Public Radio) and the Corporation for Public Broadcasting mixed up, but they're absolutely two separate things. These funds that were in the governor's budget, the \$1.337 million for operating, they're what pay the lights and keep the program going. I don't know what portion goes to any program purchasing, but I believe that's mostly by donations. If you shut down the electricity, there's no broadcasting going out at all. This money is what does the local productions, this is the money that makes the Germans from Russia and all that stuff happen. If you have a bone to pick with NPR, that's one thing, that's all federal. But this organization does a lot of good. A lot of our constituents will be upset if there's not a tower broadcasting Lawrence Welk. At the very minimum, I would like to see the governor's recommended level. That cut went a little too deep.

Chairman Delzer: Some of us think that no taxpayer dollars should go to this organization, that it should be one that is funded by people that want it there, that taxpayer money would be better spent elsewhere. That's my opinion.

Representative Thoreson: We had lengthy discussion about this and asked PP about the issue with NPR. We were advised none of the state money goes to that, so this really wasn't about that. There was the \$500,000 the Senate had put in, for building maintenance and upgrades, which we thought wasn't the function of state government. We did some additional research and found there are \$300,000-\$400,000 from other state agencies, mostly higher education, that do go to PP, so we felt leaving it at \$1 million was appropriate. I have been a supporter, and former employee, of PP, I think they provide good programming and a great service for the people of our state, but I do feel using that amount of state dollars is probably not the best thing. They have ongoing fundraising efforts and those of us who use their service probably could throw in a couple of extra dollars.

Representative Monson: Keep in mind that some of the people that they do their fundraising with, these are people who are on fixed incomes, or little kids. The point about the university systems, yes, they do house two public broadcasting studios; without the support, though, the universities would have to kick in more money. You need to look at the big picture.

Representative Kaldor: What share of their budget (public broadcasting) is the state of ND's contribution?

Representative Thoreson: I'm looking to see if that was addressed. I don't know if they offered exactly how much it is and how much the state covered. Most of the discussion was about the \$500,000 that the Senate had added. We asked if they tried to raise that outside of coming to the state and asking. That was not the case. They did make that request directly to the government.

Representative Kaldor: On the Section 12 amendment, reporting on federal grants by state agencies, did you discuss the effect of that particular amendment? As I understand it, there are several state agencies that apply for and receive federal grants: Department of Human Services, Department of Health. I believe higher ed is exempt. Did OMB or any state agency explain the effect of this since it is being reported to the budget section and that OMB has to receive and distribute these reports?

Representative Thoreson: It does exempt higher ed. because that was not in the original amendment. This amendment was brought forward by Representative Carlson. His goal was to keep track of the federal dollars that come into the state. OMB feels they can handle doing the work it requires for this. It does not give the budget section any authority to stop the grants. It is just a reporting mechanism.

Chairman Delzer: I think it would be quite an enlightening report.

Representative Kaldor: That's my point too. I'm not necessarily opposed to this. I just wanted to get a feel for what the effect is. I'm assuming \$25,000 is a small grant.

Representative Thoreson: The \$25,000 was something that we did add. The original amendment brought forward to us did not have a dollar amount. It was the sense of our section that we should set some limit because there may be grants coming in for \$500 or

\$1,000 and we could end up with a high stack if we get a report on every one. That was a number we came up with as a dollar amount.

Representative Hawken: Was there any discussion on the fact that the state could end up not getting things we traditionally have because this is one more hoop to jump through? If we're concerned about the health piece, let's limit it to the health piece.

Chairman Delzer: I don't see that this would stop anybody from doing it.

Representative Thoreson: It's not meant to be any sort of limiter on applying or receiving federal grants. It's just that in the process there would be a report issued to OMB.

Chairman Delzer: If an agency thought it was something they were afraid of having made public before they did it, they might not do it.

Representative Kroeber: On Section 10, I want to draw your attention to the fact that this past time we used ITD, RIO/PERS were the two different agencies that we did separately. This time we are going to expand that to four. We did have discussion in the committee if this was going to be something that was going to continue to expand. We also had discussion on whether we were infringing on the three divisions of government with executive branch. On Section 15, on the retroactive application on the lodging, whether you think it should be taken back to January 1 or not, that's your option.

Representative Kaldor: HB 1141 did pass the Senate. Is that correct? But it didn't get enough votes for the emergency clause?

Chairman Delzer: I thought I heard they took the retroactive out.

Representative Thoreson: That is correct, HB 1141 passed but the Senate removed the retroactivity from that bill. I am assuming that will end up in conference. In discussion with leadership, we thought perhaps it should go into this bill also. In regards to the budgeting process, the PERS and RIO budgets were done by OMB electronically. We did do the highway patrol. We had HB 1011 and 1350 in the first half where we showed it in two different formats.

Chairman Delzer: Further discussion on the motion to amend? Motion carries by voice vote.

Representative Thoreson: I move amendment .02015.

Representative Klein: Second.

Chairman Delzer: This amendment was requested by Representative Carlson and Senator Stenehjem. There was an issue that came before the emergency commission. They did not get approval in the emergency commission. The group brought it forward to budget section and it passed budget section. LC said it should not have happened. Most of the language says Emergency Commission approval and Budget Section approval. This

would just spell it out in code very plainly that if it did not pass the Emergency Commission, it would not come before the Budget Section.

Representative Kaldor: I'm not sure it does that. It says any petition to the Emergency Commission by a state officer must be approved or recommended by the Emergency Commission prior to submission for consideration to the budget section. In that case that we overturned the Emergency Commission, they had already gone to the Emergency Commission first.

Chairman Delzer: It says it must be approved or recommended. That is the difference. They did not approve or recommend that one.

Representative Kaldor: They rejected it. Isn't that a signal to the budget section that they are not recommending it?

Chairman Delzer: It certainly is. You can make the argument that you would like to have it the way that happened that time.

Representative Kaldor: Maybe the Emergency Commission, when they deny a request, accompanied with that denial should be a recommendation to the budget section. This seems redundant.

Chairman Delzer: I don't think it is redundant. This would state that if the Emergency Commission rejected it, it would not come to the budget section.

Representative Skaphol: Can you remind me who the members of the Emergency Commission are?

Chairman Delzer: Chairman of the Senate and House appropriations committees, the majority leaders of the Senate and House, and the governor, the secretary of state. Anything further on the motion to further amend with .02015? Motion carries by voice vote.

Representative Thoreson: This amendment, which is unnumbered, was brought forward by Senator Stenehjem. It deals with HB 1438 which was the "Guns and the Trunks" bill which was passed by both chambers. That bill exempted property with the penitentiary. There is the situation where the State Hospital does share property with them in Jamestown. This would add language to that which would exempt the State Hospital also. I move this amendment.

Representative Wieland: Second.

Chairman Delzer: Discussion on the motion to further amend by adding to Section 10 the words "the State Hospital"? Motion carries by voice vote.

Representative Monson: I move we restore \$337,138 to the Prairie Public line item for their operating grants. The federal funding from the Corporation for Public Broadcasting is definitely questionable. I know that is a sizeable chunk of their operating. If that money goes away they are going to be stretched thin on their operating. This money goes to pay

the salaries of people that provide a service. The \$500,000 is to remodel the studio here in Bismarck and do some safety issues. The Senate put that one in so I will let that go. I would like to restore that \$300,000 back so I move that we restore that to the governor's level of \$1,337,138.

Representative Martinson: Second.

Representative Thoreson: I know you serve on the PP board. They are offering programming across the state of North Dakota which comes from Minnesota Public television including their House and Senate coverage live. Are they receiving any reimbursement that you're aware of to broadcast Minnesota programming throughout the state of ND?

Representative Monson: They are. There was a time that Minnesota put in virtually nothing. The last couple biennia, MN has stepped up to the plate and kicked in some money; what the amount is, I don't know.

Representative Thoreson: Are they basically renting a channel from them, or how does that work?

Representative Monson: I don't know how that works. I just know that they are contributing to the budget to help with the funding of these programs. MN is paying their fair share, or at least more of their fair share. There are also dollars flowing into Prairie Public from Canada. Much of that goes for buying programs as well. There was a time that ND was the only one paying for this, and I have to say that MN and Manitoba have really come up to the plate in the last few years.

Chairman Delzer: Can you share with us how you ended up on the board? It is not a legislative appointment, is it?

Representative Monson: No. When I was in the school business, I was on North Central Council School TV.

Chairman Delzer: There's money been added for that in 2013, correct?

Representative Monson: There was, about \$40,000, most of that was to go to delivering teacher in-service type programs.

Chairman Delzer: Further discussion? I'm not going to support this particular motion. I think the division looked at this pretty well, I'm sure this will be an issue in conference and this gives us a position to work from. I'm not sure I agree that taxpayer dollars should be going for this at all, but \$1 million is certainly in the budget.

Representative Thoreson: We did have lengthy discussion on this. This was not as retribution for NPR actions. PP provides a service to the people of our state, one which I've used, but I think the \$1 million of funding is appropriate at this time.

Representative Kroeber: In 01-03, it was \$1.4 million; in 03-05 it was \$1.337 million as it is now, so it has been at that level of operating since the 03-05 session.

Representative Thoreson: We have funded quite a bit of upgrades for PP, about \$3 million last biennium, on top of the operating.

Representative Kaldor: I would support this motion, and the reason has to do with what we've done in the past. Regardless of what the intentions may have been to go to \$1 million rather than \$1.3 million, the perception will be that this is retribution to what's going on federally. I don't mind, if that's what you want the perception to be, but that's what it will be.

Representative Thoreson: When Mr. Harris from PP was in, he even suggested there be language put in the bill that this money does not go for NPR, they are separating where the listener supported dollars are used to pay for that programming. I would have no problem adding that language into this bill so there is no perception otherwise.

Chairman Delzer: Further discussion on the motion to further amend by adding \$337,000 to the PP fund? Voice vote uncertain, motion fails 9-11-1 by roll call vote.

Representative Martinson: I move we amend the state employee pay raise with a \$100 minimum along with the 3&3.

Representative Hawken: Second.

Chairman Delzer: We have a motion and a second for a \$100 minimum in new section 8.

Representative Skarphol: Is there any indication of what the cost would be?

Chairman Delzer: I don't know that there is any cost; this says it's supposed to be done on merit, so if they merit a pay raise at all, it would be a \$100 minimum. It would not add money, it would just change who could get the money, would be my guess.

Representative Skarphol: If there was a minimum last time, what was the cost last time and what was the minimum?

Laschkewitsch: It was a \$75 minimum, and there would be a cost.

Chairman Delzer: But the way it would be set up is that costs would have to be borne out of just the normal pay raise, because this is not a 3&3 pay raise, it's a merit pay raise based on increasing the budget by 3%.

Laschkewitsch: When we've done it in the past, there has been a cost.

Chairman Delzer: This is supposed to be a merit deal, not a flat 3&3, so LC or OMB please find out whether or not that makes a difference on the cost, though we won't wait to vote on the amendment.

Representative Dosch: If we're talking minimums, have we ever looked at capping maximums?

Chairman Delzer: I don't think it's ever been done, though there's been talk. Again, this is not necessarily meant to be a 3&3 straight across the board; you could put a cap in there, though I don't know what would happen with agencies...they might just give a bigger pay raise on the bottom, then.

Representative Skarphol: It would seem to me if you had a \$40,000 wage, 3% would be \$1200. You'd have to have less than that to be a beneficiary of this motion. Do we have any idea how many employees we have below that figure?

Chairman Delzer: It's got to be a fair number.

Representative Dosch: If this is supposed to be a merit, but yet we put a \$100 minimum, even the worst employee gets a raise. This defeats the purpose of the merit.

Chairman Delzer: Further discussion on the motion to amend? Voice vote fails.

Representative Kroeber: I'd like to introduce amendment .02012, which has to do with public transportation funds. What has occurred, and I don't think intentionally, is in the highway distribution fund, when we removed the 25% excise tax from the governor's budget, we of course removed the \$46.344 million, which lowered our distribution. Counties have come out ahead with the legislative changes. The cities have come out ahead with the changes. Townships have come out ahead with the changes. What's lost in the whole equation is transit. When we lowered the excise tax, transit was at \$6.9 million, and when we lowered it, they received no benefit from the \$35 million this biennium or the \$25 million next biennium. My amendment does not ask for any of that, but we are asking that the \$700,000 that transit was reduced be restored, back to the level of the governor's budget. When we talk transit, we're talking both rural and urban. I move the amendment .02012.

Representative Metcalf: Second.

Representative Kroeber: There are currently 29 local transit projects funded through this program. There are 38 public transit systems located throughout the state. Collectively the systems operate approximately 245 busses, vans, and cars, and provide more than 2 million rides per year. It is this system which allows people in the small communities to get to medical appointments in the larger cities. We all have some constituents that are greatly affected by this. I hope we can support restoring this to the governor's level by restoring the \$700,000.

Chairman Delzer: Discussion on the motion to amend? I'll start it out. I'm not going to support this motion. Two years ago, we made them part of the formula for the highway distribution fund. They were never part of that before. The fact that the governor put this in the budget, excise tax has never been through the formula. I know there's a lot of people who would like it to go through, but it has never passed, so that's never been part of the issue. The question is, should they have gotten part of that extra money last time that went

out to the counties and cities? This time we're trying to get the money all to the roads, which is why it wasn't considered in the amounts passed by the House and Senate. You can say they got less than what the governor proposed, but there is the issue that they are part of the formula, and there is room for that to grow. If you look at what gas tax and registration did in the last two years, they're up considerably, and they'll also receive anything above the forecast. One of the issues with being on a formula, if something happens to the economy, they are affected by the change. For those reasons, I don't support this amendment.

Representative Kroeber: It's 1.5% of the total distribution fund, and this would actually be a cut of \$500,000 under what they received this year.

Chairman Delzer: My understanding on this is that the issue of when they are getting less than what they had last time it's because of the \$1 million we put in out of the \$59 million that we put out to the counties. The amount going through the highway distribution fund is increasing, from 141 to 170. Further discussion?

Vice Chairman Kempenich: Last session, did we stick stimulus money into transit, too?

Chairman Delzer: There was, but I don't believe they are counting that. It couldn't be used for maintenance, it was only for new vehicles and such.

Representative Kaldor: When we look at transit, we need to remember that this is likely to be a growing need in rural ND, and part of our infrastructure. It's really no different than a road. The aging population, those who want to stay in their communities, this is one of the things allowing them to remain there. A lot of them use transit to get to larger communities for medical care. This is a small part of the overall transportation budget, but it's a very important part. I think this is a good policy move for the future.

Chairman Delzer: The 5.7 is what was in last time, and we added \$1 million in SB 2012 (in 2009). It was a one-time expenditure, not to be added to the base. This is a \$500,000 increase if we do not add that. It is \$700,000 less than what the governor proposed, but again, our budgets are not always what the governor proposes. Further discussion on the motion to further amend to add \$700,000 to transit? If not, we'll do a voice vote. Motion fails. Roll call vote requested, motion fails 6-15.

Representative Nelson: If it's the money, I would move to further amend to add \$100,000 to transit and get this into conference. I think it needs further discussion.

Representative Kaldor: Second.

Chairman Delzer: We have a motion and a second, discussion?

Representative Nelson: I think we're approaching a time in ND where we oftentimes think we're immune to the economic conditions. For many of the people who are using transit, that's not the case. With fuel prices increasing as they are currently, this is going to be an issue. We'll see that in a number of areas. The senior population has some other options. They have senior busses, for example, to meet some of that need. But for those that

cannot afford it, this may be their only chance of getting around the state. You make a good point, there is potential for additional money to be raised through the formula, but that is not a concrete number. I think a lower number to build some confidence that they'll be able to continue would be good for the conferees to talk about.

Representative Bellew: The \$100,000 out of general funds, then?

Representative Nelson: Yes.

Chairman Delzer: Further discussion? If not, we'll do a voice vote. Voice vote uncertain. A roll call vote was done, and motion carried 11-9-1. Further discussion on 2015?

Representative Dosch: As we looked at budget bills, there was a concern as far as FTEs and that the reports we were given did not distinguish between specially funded and general funded FTEs. Would it be proper to put on some legislative intent that moving forward there be a differential made between FTEs that are special or general funded? There seem to be a fair amount that were special funded and are now moved over to the general fund category, and yet the FTE number stayed the same. You wouldn't know this occurred unless you specifically asked.

Chairman Delzer: There are a couple of ways you could do it. The budget section could make that request that it be highlighted somehow, and it may be best coming from them. We could also ask LC to note that we want to have them ask that of all the agencies and have it be part of the green sheet.

Representative Thoreson: Seeing no further amendments, I move Do Pass as Amended for SB 2015.

Representative Skarphol: Second.

Chairman Delzer: We have a motion for a Do Pass as Amended and Amended and Amended and Amended. Discussion. We'll call the roll. Motion carries 17-3-1. Representative Thoreson will carry the bill. Committee members, that's our last bill. I appreciate all the work. We've had good discussions on things, which we appreciate. If we have to come back in again, we'll come back at the call of the chair. Otherwise, we'll stand adjourned.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

Page 2, after line 21, insert:

"SECTION 3. APPROPRIATION - TRANSFER - GENERAL FUND TO PUBLIC TRANSPORTATION FUND. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$700,000, which the office of management and budget shall transfer to the public transportation fund during the biennium beginning July 1, 2011, and ending June 30, 2013."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

A section is added providing that the Office of Management and Budget transfer \$700,000 from the general fund to the public transportation fund.

Date: 4-11-11
Roll Call Vote #: 1

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2015

House Appropriations Government Operations Division Committee

Check here for Conference Committee

Legislative Council Amendment Number 11.8138.02012

Action Taken Amendment

Motion Made By _____ Seconded By _____

Representatives	Yes	No	Representatives	Yes	No
Chairman Thoreson		✓	Representative Glassheim	✓	
Vice Chairman Klein	✓		Representative Kroeber	✓	
Representative Brandenburg		✓			
Representative Dahl		✓			
Representative Kempenich		✓			

Total (Yes) 3 No 4

Absent 0

Floor Assignment _____

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

April 11, 2011

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

Page 1, line 3, replace "and" with "to create and enact a new section to chapter 48-01.2 and a new section to chapter 54-27 of the North Dakota Century Code, relating to public improvement project bids and reports on federal grants; to amend and reenact section 54-35-02.3 of the North Dakota Century Code, relating to the legislative management employee benefits programs committee;"

Page 1, line 3, after "intent" insert "; to provide for a legislative management study; to provide for retroactive application; and to declare an emergency"

Page 1, replace line 17 with:

"Capital assets	2,420,298	6,069,845	8,490,143"
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Page 1, replace line 19 with:

"Prairie public broadcasting	1,337,138	(337,138)	1,000,000"
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Page 1, replace lines 22 through 24 with:

"Total all funds	\$50,937,875	(\$8,209,715)	\$42,728,160
Less estimated income	<u>14,688,779</u>	<u>(4,174,318)</u>	<u>10,514,461</u>
Total general fund	\$36,249,096	(\$4,035,397)	\$32,213,699"

Page 2, replace line 7 with:

"Prairie public broadcasting	\$2,016,200	\$0"
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Page 2, replace line 13 with:

"Capitol complex parking lot repairs	0	500,000"
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Page 2, replace line 15 with:

"Total all funds	\$6,681,735	\$3,350,000"
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Page 2, replace line 17 with:

"Total general fund	\$4,858,100	\$3,350,000"
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Page 2, remove lines 30 and 31

Page 3, remove lines 1 and 2

Page 3, line 19, replace "sixty-third" with "sixty-second"

Page 3, line 21, replace "the same percentage increase" with "three percent annually"

Page 3, line 24, replace "four" with "three"

Page 3, line 25, replace "one" with "three"

"SECTION 9. INFORMATION TECHNOLOGY PROJECT PLANNING. Each executive branch state agency, excluding entities under the control of the state board of higher education, considering the development of an information technology project with an estimated cost of \$100,000 or more shall involve the information technology department in the planning and study of the project, for the biennium beginning July 1, 2011, and ending June 30, 2013. A state agency must receive a recommendation from the information technology department prior to proceeding with any study relating to the project.

SECTION 10. DRAFT APPROPRIATIONS ACTS - ALTERNATIVE FORMAT PILOT PROJECT - SIXTY-THIRD LEGISLATIVE ASSEMBLY - EXCEPTION.

Notwithstanding subsection 7 of section 54-44.1-06, the draft of proposed appropriations acts submitted by the governor for introduction to the sixty-third legislative assembly for the highway patrol, protection and advocacy project, secretary of state, and public service commission must be at the same level of ongoing funding as provided by the sixty-second legislative assembly. The governor shall attach a proposed draft amendment to the draft appropriations acts for these agencies making the funding changes necessary to provide for the appropriations as recommended by the governor, for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 11. A new section to chapter 48-01.2 of the North Dakota Century Code is created and enacted as follows:

Bids less than authorized project amount - Additional expense approval - Budget section report.

Upon accepting a bid under this chapter, if the accepted bid is less than all funds dedicated to the public improvement, the governing body of an entity that has received an appropriation of moneys from the general fund of the state treasury for the public improvement shall immediately notify the office of management and budget. Any change order or expenses exceeding the bid amount must be submitted to the office of management and budget for approval. The office of management and budget shall report all approved change orders or additional expenses to the budget section of the legislative management.

SECTION 12. A new section to chapter 54-27 of the North Dakota Century Code is created and enacted as follows:

Report on federal grants by state agency.

Each state agency, excluding entities under the control of the state board of higher education, shall report to the office of management and budget before applying for a federal grant for which the agency may receive estimated funding of twenty-five thousand dollars or more. The report must include the purpose of the grant, the potential amount of the grant, any additional employees that may be required because of the grant, the time period covered by the grant, and grant requirements, including state matching requirements or maintenance of effort. The state agency shall provide updates on the status of the grant application as required by the office of management and budget. At each meeting of the budget section of the legislative management, the office of management and budget shall report to the budget section on the reports received from state agencies under this section.

SECTION 13. AMENDMENT. Section 54-35-02.3 of the North Dakota Century Code is amended and reenacted as follows:

54-35-02.3. Employee benefits programs committee - Appointment - Selection of chairman.

The legislative management, during each biennium, shall appoint an employee benefits programs committee in the same manner as the legislative management appoints other interim committees. The legislative management shall appoint five~~seven~~ members of the house of representatives and four~~six~~ members of the senate to the committee. The legislative management shall designate the chairman of the committee. The committee shall operate according to the statutes and procedure governing the operation of other legislative management interim committees.

SECTION 14. LEGISLATIVE MANAGEMENT STUDY - HOME RULE AMENDMENTS. During the 2011-12 interim, the legislative management shall consider studying procedures for proposing, adopting, and implementing changes to county and city home rule charters and ordinances and resolutions adopted under home rule powers. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-third legislative assembly.

SECTION 15. RETROACTIVE APPLICATION. House Bill No. 1141, as approved by the sixty-second legislative assembly, is retroactive in application to January 1, 2011. Upon the effective date of this Act, the director of the office of management and budget shall recalculate the maximum monthly lodging reimbursement for members of the sixty-second legislative assembly based upon section 1 of House Bill No. 1141 to be effective beginning January 1, 2011.

SECTION 16. EMERGENCY. Section 15 of this Act is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2015 - Office of Management and Budget - House Action

	Executive Budget	Senate Version	House Changes	House Version
Salaries and wages	\$18,517,763	\$18,517,763		\$18,517,763
Operating expenses	13,765,254	13,765,254		13,765,254
Capital assets	8,390,143	9,390,143	(900,000)	8,490,143
Grants	55,000	55,000		55,000
Emergency Commission contingency fund	700,000	700,000		700,000
Prairie Public Broadcasting	1,337,138	1,837,138	(837,138)	1,000,000
State student internship program	200,000	200,000		200,000
Total all funds	\$42,965,298	\$44,465,298	(\$1,737,138)	\$42,728,160
Less estimated income	10,914,461	10,914,461	(400,000)	10,514,461
General fund	\$32,050,837	\$33,550,837	(\$1,337,138)	\$32,213,699
FTE	131.50	131.50	0.00	131.50

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

	Reduces Funding for Prairie Public Broadcasting ¹	Removes Funding for Capitol Grounds Signage Projects ²	Reduces Funding for Parking Lot Repairs ³	Total House Changes
Salaries and wages				
Operating expenses				
Capital assets		(400,000)	(500,000)	(900,000)
Grants				
Emergency Commission contingency fund				
Prairie Public Broadcasting	(837,138)			(837,138)
State student internship program				
Total all funds	(\$837,138)	(\$400,000)	(\$500,000)	(\$1,737,138)
Less estimated income	0	(400,000)	0	(400,000)
General fund	(\$837,138)	\$0	(\$500,000)	(\$1,337,138)
FTE	0.00	0.00	0.00	0.00

¹ Funding from the general fund for Prairie Public Broadcasting is reduced by \$837,138 to provide total funding of \$1,000,000. The executive recommendation provided \$1,337,138 of funding for Prairie Public Broadcasting, and the Senate added an additional \$500,000 of one-time funding.

² Funding from the Capitol building fund for exterior signage at the Capitol complex is removed.

³ Funding for Capitol complex parking lot repairs is reduced by \$500,000. The Senate added a total of \$1,000,000 from the general fund for Capitol complex parking lot repairs.

This amendment also:

- Adjusts Section 2 to reflect the removal of one-time funding for Prairie Public Broadcasting and the reduction of funding for Capitol complex parking lot repairs.
- Removes Section 5 which transfers \$388,580,000 from the permanent oil tax trust fund to the property tax relief sustainability fund.
- Adjusts Section 9 to provide intent that funding is provided to each state agency equal to a 3 percent state employee salary increase each year of the 2011-13 biennium, the same as the executive recommendation. The Senate included intent that funding is provided equal to a salary increase of 4 percent the first year of the biennium and 1 percent the second year of the biennium.
- Adds a section regarding Information Technology Department review of proposed state agency information technology projects with an estimated cost of \$100,000 or more.
- Adds a section to require certain draft appropriations acts to be submitted to the 63rd Legislative Assembly in an alternative format.
- Enacts two new sections to the North Dakota Century Code relating to public improvement project bids and reports on federal grants.
- Amends Section 54-35-02.3 relating to the membership of the Employee Benefits Programs Committee.
- Provides for a Legislative Management study of amending county and city home rule charters, ordinances, and resolutions.
- Adds a section to retroactively apply the provisions of House Bill No. 1141 relating to monthly lodging rates of members of the Legislative Assembly. The section is declared to be an emergency measure.

Date: 4/12
Roll Call Vote #: 1

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2015

House Appropriations Committee

Legislative Council Amendment Number .02016

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

Motion Made By Rep. Thoreson Seconded By Rep. Klein

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer			Representative Nelson		
Vice Chairman Kempenich			Representative Wieland		
Representative Pollert					
Representative Skarphol					
Representative Thoreson			Representative Glassheim		
Representative Bellew			Representative Kaldor		
Representative Brandenburg			Representative Kroeber		
Representative Dahl			Representative Metcalf		
Representative Dosch			Representative Williams		
Representative Hawken					
Representative Klein					
Representative Kreidt					
Representative Martinson					
Representative Monson					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Voice vote carries

11.8138.02015
Title.

Prepared by the Legislative Council staff for
Representative Delzer
April 11, 2011

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

Page 1, line 2, after the semicolon insert "to amend and reenact section 54-16-03.1 of the North Dakota Century Code, relating to petitions to the emergency commission;"

Page 3, after line 30, insert:

"SECTION 10. AMENDMENT. Section 54-16-03.1 of the North Dakota Century Code is amended and reenacted as follows:

54-16-03.1. Submission of petition to emergency commission.

When an emergency exists, a state officer may present to the emergency commission an itemized petition requesting approval to transfer money and spending authority between funds or line items pursuant to section 54-16-04; accept and expend federal funds pursuant to section 54-16-04.1; accept and expend state contingency funds pursuant to section 54-16-09; accept and expend other funds pursuant to section 54-16-04.2; or recommend full-time equivalent positions pursuant to section 54-16-04.3. Any petition to the emergency commission by a state officer must be approved or recommended by the emergency commission prior to submission for consideration by the budget section."

Re-number accordingly

Date: 4/12
 Roll Call Vote #: 2

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2015

House Appropriations Committee

Legislative Council Amendment Number .02015

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

Motion Made By Rep. Thoreson Seconded By Rep. Klein

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer			Representative Nelson		
Vice Chairman Kempenich			Representative Wieland		
Representative Pollert					
Representative Skarphol					
Representative Thoreson			Representative Glassheim		
Representative Bellew			Representative Kaldor		
Representative Brandenburg			Representative Kroeber		
Representative Dahl			Representative Metcalf		
Representative Dosch			Representative Williams		
Representative Hawken					
Representative Klein					
Representative Kreidt					
Representative Martinson					
Representative Monson					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

voice vote carries

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. ~~2012~~²⁰¹⁵

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

Page 1, line 4, after "program" insert "and, to amend and reenact a new unnumbered section of chapter 62.1-02 of the North Dakota Century Code relating to an employer's prohibition on firearm possession"

Page 5, after line 23 insert:

SECTION 10. If House Bill No. 1438 is approved by the 62nd legislative assembly and becomes effective, a new subdivision to subsection 6 of the new unnumbered section added to chapter 62.1-02 of the North Dakota Century Code is created and enacted as follows:

"The state hospital."

Renumber accordingly

Date: 4/12
 Roll Call Vote #: 3

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. 2015

House Appropriations Committee

Legislative Council Amendment Number unnumbered page

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

Motion Made By Rep. Thoreson Seconded By Rep. Wieland

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer			Representative Nelson		
Vice Chairman Kempenich			Representative Wieland		
Representative Pollert					
Representative Skarphol					
Representative Thoreson			Representative Glassheim		
Representative Bellew			Representative Kaldor		
Representative Brandenburg			Representative Kroeber		
Representative Dahl			Representative Metcalf		
Representative Dosch			Representative Williams		
Representative Hawken					
Representative Klein					
Representative Kreidt					
Representative Martinson					
Representative Monson					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

voice vote carries

Date: 4/12
Roll Call Vote #: 4

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2015

House Appropriations Committee

Legislative Council Amendment Number _____

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

Motion Made By Rep. Monson Seconded By Rep. Martinson

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer		X	Representative Nelson	X	
Vice Chairman Kempenich		X	Representative Wieland		X
Representative Pollert		X			
Representative Skarphol		X			
Representative Thoreson		X	Representative Glassheim	X	
Representative Bellew			Representative Kaldor	X	
Representative Brandenburg		X	Representative Kroeber	X	
Representative Dahl		X	Representative Metcalf	X	
Representative Dosch		X	Representative Williams	X	
Representative Hawken	X				
Representative Klein		X			
Representative Kreidt		X			
Representative Martinson	X				
Representative Monson	X				

Total (Yes) 9 No 11

Absent 1

Floor Assignment _____

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

restore \$300,000 to Prairie Public live item (337,138)
for operating grants
to \$1,337,138

voice vote uncertain

motion fails

Date: 4/12
 Roll Call Vote #: 5

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2015

House Appropriations Committee

Legislative Council Amendment Number _____

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

Motion Made By Rep. Martinson Seconded By Rep. Hawken

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer			Representative Nelson		
Vice Chairman Kempenich			Representative Wieland		
Representative Pollert					
Representative Skarphol					
Representative Thoreson			Representative Glassheim		
Representative Bellew			Representative Kaldor		
Representative Brandenburg			Representative Kroeber		
Representative Dahl			Representative Metcalf		
Representative Dosch			Representative Williams		
Representative Hawken					
Representative Klein					
Representative Kreidt					
Representative Martinson					
Representative Monson					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:
establish \$700 minimum (merit) along with 3+3
employee raise in new section 8

voice vote fails

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

Page 2, after line 21, insert:

"SECTION 3. APPROPRIATION - TRANSFER - GENERAL FUND TO PUBLIC TRANSPORTATION FUND. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$700,000, which the office of management and budget shall transfer to the public transportation fund during the biennium beginning July 1, 2011, and ending June 30, 2013."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

A section is added providing that the Office of Management and Budget transfer \$700,000 from the general fund to the public transportation fund.

Date: 4/12
 Roll Call Vote #: 6

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. 2015

House Appropriations Committee

Legislative Council Amendment Number .02012

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

Motion Made By Rep. Kroeber Seconded By Rep. Metcalf

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer		X	Representative Nelson		X
Vice Chairman Kempenich		X	Representative Wieland		X
Representative Pollert		X			
Representative Skarphol		X			
Representative Thoreson		X	Representative Glassheim	X	
Representative Bellew		X	Representative Kaldor	X	
Representative Brandenburg		X	Representative Kroeber	X	
Representative Dahl		X	Representative Metcalf	X	
Representative Dosch		X	Representative Williams	X	
Representative Hawken	X				
Representative Klein		X			
Representative Kreidt		X			
Representative Martinson		X			
Representative Monson		X			

Total (Yes) 6 No 15

Absent _____

Floor Assignment _____

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

voice vote fails

roll call requested

motion fails

Date: 4/12
 Roll Call Vote #: 7

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2015

House Appropriations Committee

Legislative Council Amendment Number _____

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

Motion Made By Rep. Nelson Seconded By Rep. Kaldor

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer		X	Representative Nelson	X	
Vice Chairman Kempenich	X		Representative Wieland		X
Representative Pollert		X			
Representative Skarphol		X			
Representative Thoreson		X	Representative Glassheim	X	
Representative Bellew		X	Representative Kaldor	X	
Representative Brandenburg		X	Representative Kroeber	X	
Representative Dahl	X		Representative Metcalf	X	
Representative Dosch		X	Representative Williams	X	
Representative Hawken					
Representative Klein	X				
Representative Kreidt		X			
Representative Martinson	X				
Representative Monson	X				

Total (Yes) 11 No 9

Absent 1

Floor Assignment _____

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

add \$100,000 to transit

voice vote uncertain motion carries

VR
4/13/11
1085

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

Page 1, line 3, replace "and" with "to create and enact a new section to chapter 48-01.2 and a new section to chapter 54-27 of the North Dakota Century Code, and a new subdivision to subsection 6 of section 1 of House Bill No. 1438 as enacted by the sixty-second legislative assembly, relating to public improvement project bids, reports on federal grants, and an employer's prohibition on firearm possession; to amend and reenact sections 54-16-03.1 and 54-35-02.3 of the North Dakota Century Code, relating to petitions to the emergency commission and the legislative management employee benefits programs committee;"

Page 1, line 3, after "intent" insert "; to provide for a legislative management study; to provide for retroactive application; and to declare an emergency"

Page 1, replace line 17 with:

"Capital assets	2,420,298	6,069,845	8,490,143"
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"Prairie public broadcasting	1,337,138	(337,138)	1,000,000"
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Less estimated income	<u>14,688,779</u>	<u>(4,174,318)</u>	<u>10,514,461</u>
Total general fund	\$36,249,096	(\$4,035,397)	\$32,213,699"

Page 2, replace line 7 with:

"Prairie public broadcasting	\$2,016,200	\$0"
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Page 2, replace line 13 with:

"Capitol complex parking lot repairs	0	500,000"
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"Total all funds	\$6,681,735	\$3,350,000"
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Page 2, replace line 17 with:

"Total general fund	\$4,858,100	\$3,350,000"
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Page 2, after line 21, insert:

"SECTION 3. APPROPRIATION - TRANSFER - GENERAL FUND TO PUBLIC TRANSPORTATION FUND. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$100,000, which the office of management and budget shall transfer to the public transportation fund during the biennium beginning July 1, 2011, and ending June 30, 2013."

Page 2, remove lines 30 and 31

Page 3, remove lines 1 and 2

Page 3, line 19, replace "sixty-third" with "sixty-second"

Page 3, line 21, replace "the same percentage increase" with "three percent annually"

Page 3, line 24, replace "four" with "three"

Page 3, line 25, replace "one" with "three"

Page 3, after line 30, insert:

"SECTION 10. INFORMATION TECHNOLOGY PROJECT PLANNING. Each executive branch state agency, excluding entities under the control of the state board of higher education, considering the development of an information technology project with an estimated cost of \$100,000 or more shall involve the information technology department in the planning and study of the project, for the biennium beginning July 1, 2011, and ending June 30, 2013. A state agency must receive a recommendation from the information technology department prior to proceeding with any study relating to the project.

SECTION 11. DRAFT APPROPRIATIONS ACTS - ALTERNATIVE FORMAT PILOT PROJECT - SIXTY-THIRD LEGISLATIVE ASSEMBLY - EXCEPTION.

Notwithstanding subsection 7 of section 54-44.1-06, the draft of proposed appropriations acts submitted by the governor for introduction to the sixty-third legislative assembly for the highway patrol, protection and advocacy project, secretary of state, and public service commission must be at the same level of ongoing funding as provided by the sixty-second legislative assembly. The governor shall attach a proposed draft amendment to the draft appropriations acts for these agencies making the funding changes necessary to provide for the appropriations as recommended by the governor, for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 12. A new section to chapter 48-01.2 of the North Dakota Century Code is created and enacted as follows:

Bids less than authorized project amount - Additional expense approval - Budget section report.

Upon accepting a bid under this chapter, if the accepted bid is less than all funds dedicated to the public improvement, the governing body of an entity that has received an appropriation of moneys from the general fund of the state treasury for the public improvement shall immediately notify the office of management and budget. Any change order or expenses exceeding the bid amount must be submitted to the office of management and budget for approval. The office of management and budget shall report all approved change orders or additional expenses to the budget section of the legislative management.

SECTION 13. A new section to chapter 54-27 of the North Dakota Century Code is created and enacted as follows:

Report on federal grants by state agency.

Each state agency, excluding entities under the control of the state board of higher education, shall report to the office of management and budget before applying for a federal grant for which the agency may receive estimated funding of twenty-five

thousand dollars or more. The report must include the purpose of the grant; the potential amount of the grant; any additional employees that may be required because of the grant; the time period covered by the grant; and grant requirements, including state matching requirements or maintenance of effort. The state agency shall provide updates on the status of the grant application as required by the office of management and budget. At each meeting of the budget section of the legislative management, the office of management and budget shall report to the budget section on the reports received from state agencies under this section.

SECTION 14. A new subdivision to subsection 6 of section 1 of House Bill No. 1438, as enacted by the sixty-second legislative assembly, is created and enacted as follows:

The state hospital.

SECTION 15. AMENDMENT. Section 54-16-03.1 of the North Dakota Century Code is amended and reenacted as follows:

54-16-03.1. Submission of petition to emergency commission.

When an emergency exists, a state officer may present to the emergency commission an itemized petition requesting approval to transfer money and spending authority between funds or line items pursuant to section 54-16-04; accept and expend federal funds pursuant to section 54-16-04.1; accept and expend state contingency funds pursuant to section 54-16-09; accept and expend other funds pursuant to section 54-16-04.2; or recommend full-time equivalent positions pursuant to section 54-16-04.3. Any petition to the emergency commission by a state officer must be approved or recommended by the emergency commission prior to submission for consideration by the budget section.

SECTION 16. AMENDMENT. Section 54-35-02.3 of the North Dakota Century Code is amended and reenacted as follows:

54-35-02.3. Employee benefits programs committee - Appointment - Selection of chairman.

The legislative management, during each biennium, shall appoint an employee benefits programs committee in the same manner as the legislative management appoints other interim committees. The legislative management shall appoint ~~five~~seven members of the house of representatives and ~~four~~six members of the senate to the committee. The legislative management shall designate the chairman of the committee. The committee shall operate according to the statutes and procedure governing the operation of other legislative management interim committees.

SECTION 17. LEGISLATIVE MANAGEMENT STUDY - HOME RULE AMENDMENTS. During the 2011-12 interim, the legislative management shall consider studying procedures for proposing, adopting, and implementing changes to county and city home rule charters and ordinances and resolutions adopted under home rule powers. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-third legislative assembly.

SECTION 18. RETROACTIVE APPLICATION. House Bill No. 1141, as approved by the sixty-second legislative assembly, is retroactive in application to January 1, 2011. Upon the effective date of this Act, the director of the office of

management and budget shall recalculate the maximum monthly lodging reimbursement for members of the sixty-second legislative assembly based upon section 1 of House Bill No. 1141 to be effective beginning January 1, 2011.

SECTION 19. EMERGENCY. Section 18 of this Act is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2015 - Office of Management and Budget - House Action

	Executive Budget	Senate Version	House Changes	House Version
Salaries and wages	\$18,517,763	\$18,517,763		\$18,517,763
Operating expenses	13,765,254	13,765,254		13,765,254
Capital assets	8,390,143	9,390,143	(900,000)	8,490,143
Grants	55,000	55,000		55,000
Emergency Commission contingency fund	700,000	700,000		700,000
Prairie Public Broadcasting	1,337,138	1,837,138	(837,138)	1,000,000
State student internship program	200,000	200,000		200,000
Transfer to public transportation fund			100,000	100,000
Total all funds	\$42,965,298	\$44,465,298	(\$1,637,138)	\$42,828,160
Less estimated income	10,914,461	10,914,461	(400,000)	10,514,461
General fund	\$32,050,837	\$33,550,837	(\$1,237,138)	\$32,313,699
FTE	131.50	131.50	0.00	131.50

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

	Reduces Funding for Prairie Public Broadcasting ¹	Removes Funding for Capitol Grounds Signage Projects ²	Reduces Funding for Parking Lot Repairs ³	Adds Transfer to Public Transportation Fund ⁴	Total House Changes
Salaries and wages					
Operating expenses					
Capital assets		(400,000)	(500,000)		(900,000)
Grants					
Emergency Commission contingency fund					
Prairie Public Broadcasting	(837,138)				(837,138)
State student internship program					
Transfer to public transportation fund				100,000	100,000
Total all funds	(\$837,138)	(\$400,000)	(\$500,000)	\$100,000	(\$1,637,138)
Less estimated income	0	(400,000)	0	0	(400,000)
General fund	(\$837,138)	\$0	(\$500,000)	\$100,000	(\$1,237,138)
FTE	0.00	0.00	0.00	0.00	0.00

¹ Funding from the general fund for Prairie Public Broadcasting is reduced by \$837,138 to provide total funding of \$1,000,000. The executive recommendation provided \$1,337,138 of funding for Prairie Public Broadcasting, and the Senate added an additional \$500,000 of one-time funding.

² Funding from the Capitol building fund for exterior signage at the Capitol complex is removed.

³ Funding for Capitol complex parking lot repairs is reduced by \$500,000. The Senate added a total of \$1,000,000 from the general fund for Capitol complex parking lot repairs.

⁴ A section is added to provide a transfer of \$100,000 from the general fund to the public transportation fund during the 2011-13 biennium.

This amendment also:

- Adjusts Section 2 to reflect the removal of one-time funding for Prairie Public Broadcasting and the reduction of funding for Capitol complex parking lot repairs.
- Removes Section 5 which transfers \$388,580,000 from the permanent oil tax trust fund to the property tax relief sustainability fund.
- Adjusts Section 9 to provide intent that funding is provided to each state agency equal to a 3 percent state employee salary increase each year of the 2011-13 biennium, the same as the executive recommendation. The Senate included intent that funding is provided equal to a salary increase of 4 percent the first year of the biennium and 1 percent the second year of the biennium.
- Adds a section regarding Information Technology Department review of proposed state agency information technology projects with an estimated cost of \$100,000 or more.
- Adds a section to require certain draft appropriations acts to be submitted to the 63rd Legislative Assembly in an alternative format.
- Enacts two new sections to the North Dakota Century Code relating to public improvement project bids and reports on federal grants.
- Amends Section 54-16-03.1 relating to the action of the Emergency Commission.
- Amends Section 54-35-02.3 relating to the membership of the Employee Benefits Programs Committee.
- Provides for a Legislative Management study of amending county and city home rule charters, ordinances, and resolutions.
- Adds a section to retroactively apply the provisions of House Bill No. 1141 relating to monthly lodging rates of members of the Legislative Assembly. The section is declared to be an emergency measure.
- Adds a section to create a new subdivision to subsection 6 of a new unnumbered section added to Chapter 52.1-02 in 2011 House Bill No. 1438 relating to an employer's prohibition of firearms.

Date: 4/12
Roll Call Vote #: 8

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2015

House Appropriations Committee

Legislative Council Amendment Number _____

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

Motion Made By Rep. Thoreson Seconded By Rep. Skarphol

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer	X		Representative Nelson	X	
Vice Chairman Kempenich	X		Representative Wieland	X	
Representative Pollert	X				
Representative Skarphol	X				
Representative Thoreson	X		Representative Glassheim		X
Representative Bellew	X		Representative Kaldor		X
Representative Brandenburg	X		Representative Kroeber		X
Representative Dahl	X		Representative Metcalf	X	
Representative Dosch	X		Representative Williams	X	
Representative Hawken					
Representative Klein	X				
Representative Kreidt	X				
Representative Martinson	X				
Representative Monson	X				

Total (Yes) 17 No 3

Absent 1

Floor Assignment Rep. Thoreson

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

REPORT OF STANDING COMMITTEE

SB 2015, as engrossed: Appropriations Committee (Rep. Delzer, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (17 YEAS, 3 NAYS, 1 ABSENT AND NOT VOTING). Engrossed SB 2015 was placed on the Sixth order on the calendar.

Page 1, line 3, replace "and" with "to create and enact a new section to chapter 48-01.2 and a new section to chapter 54-27 of the North Dakota Century Code, and a new subdivision to subsection 6 of section 1 of House Bill No. 1438 as enacted by the sixty-second legislative assembly, relating to public improvement project bids, reports on federal grants, and an employer's prohibition on firearm possession; to amend and reenact sections 54-16-03.1 and 54-35-02.3 of the North Dakota Century Code, relating to petitions to the emergency commission and the legislative management employee benefits programs committee;"

Page 1, line 3, after "intent" insert "; to provide for a legislative management study; to provide for retroactive application; and to declare an emergency"

Page 1, replace line 17 with:

"Capital assets	2,420,298	6,069,845	8,490,143"
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Page 1, replace line 19 with:

"Prairie public broadcasting	1,337,138	(337,138)	1,000,000"
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Page 1, replace lines 22 through 24 with:

"Total all funds	\$50,937,875	(\$8,209,715)	\$42,728,160
Less estimated income	<u>14,688,779</u>	<u>(4,174,318)</u>	<u>10,514,461</u>
Total general fund	\$36,249,096	(\$4,035,397)	\$32,213,699"

Page 2, replace line 7 with:

"Prairie public broadcasting	\$2,016,200	\$0"
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Page 2, replace line 13 with:

"Capitol complex parking lot repairs	0	500,000"
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Page 2, replace line 15 with:

"Total all funds	\$6,681,735	\$3,350,000"
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Page 2, replace line 17 with:

"Total general fund	\$4,858,100	\$3,350,000"
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Page 2, after line 21, insert:

"SECTION 3. APPROPRIATION - TRANSFER - GENERAL FUND TO PUBLIC TRANSPORTATION FUND. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$100,000, which the office of management and budget shall transfer to the public transportation fund during the biennium beginning July 1, 2011, and ending June 30, 2013."

Page 2, remove lines 30 and 31

Page 3, remove lines 1 and 2

Page 3, line 19, replace "sixty-third" with "sixty-second"

Page 3, line 21, replace "the same percentage increase" with "three percent annually"

Page 3, line 24, replace "four" with "three"

Page 3, line 25, replace "one" with "three"

Page 3, after line 30, insert:

"SECTION 10. INFORMATION TECHNOLOGY PROJECT PLANNING. Each executive branch state agency, excluding entities under the control of the state board of higher education, considering the development of an information technology project with an estimated cost of \$100,000 or more shall involve the information technology department in the planning and study of the project, for the biennium beginning July 1, 2011, and ending June 30, 2013. A state agency must receive a recommendation from the information technology department prior to proceeding with any study relating to the project.

SECTION 11. DRAFT APPROPRIATIONS ACTS - ALTERNATIVE FORMAT PILOT PROJECT - SIXTY-THIRD LEGISLATIVE ASSEMBLY - EXCEPTION. Notwithstanding subsection 7 of section 54-44.1-06, the draft of proposed appropriations acts submitted by the governor for introduction to the sixty-third legislative assembly for the highway patrol, protection and advocacy project, secretary of state, and public service commission must be at the same level of ongoing funding as provided by the sixty-second legislative assembly. The governor shall attach a proposed draft amendment to the draft appropriations acts for these agencies making the funding changes necessary to provide for the appropriations as recommended by the governor, for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 12. A new section to chapter 48-01.2 of the North Dakota Century Code is created and enacted as follows:

Bids less than authorized project amount - Additional expense approval - Budget section report.

Upon accepting a bid under this chapter, if the accepted bid is less than all funds dedicated to the public improvement, the governing body of an entity that has received an appropriation of moneys from the general fund of the state treasury for the public improvement shall immediately notify the office of management and budget. Any change order or expenses exceeding the bid amount must be submitted to the office of management and budget for approval. The office of management and budget shall report all approved change orders or additional expenses to the budget section of the legislative management.

SECTION 13. A new section to chapter 54-27 of the North Dakota Century Code is created and enacted as follows:

Report on federal grants by state agency.

Each state agency, excluding entities under the control of the state board of higher education, shall report to the office of management and budget before applying for a federal grant for which the agency may receive estimated funding of twenty-five thousand dollars or more. The report must include the purpose of the grant; the potential amount of the grant; any additional employees that may be required because of the grant; the time period covered by the grant; and grant requirements, including state matching requirements or maintenance of effort. The state agency shall provide updates on the status of the grant application as required by the office of management and budget. At each meeting of the budget section of

the legislative management, the office of management and budget shall report to the budget section on the reports received from state agencies under this section.

SECTION 14. A new subdivision to subsection 6 of section 1 of House Bill No. 1438, as enacted by the sixty-second legislative assembly, is created and enacted as follows:

The state hospital.

SECTION 15. AMENDMENT. Section 54-16-03.1 of the North Dakota Century Code is amended and reenacted as follows:

54-16-03.1. Submission of petition to emergency commission.

When an emergency exists, a state officer may present to the emergency commission an itemized petition requesting approval to transfer money and spending authority between funds or line items pursuant to section 54-16-04; accept and expend federal funds pursuant to section 54-16-04.1; accept and expend state contingency funds pursuant to section 54-16-09; accept and expend other funds pursuant to section 54-16-04.2; or recommend full-time equivalent positions pursuant to section 54-16-04.3. Any petition to the emergency commission by a state officer must be approved or recommended by the emergency commission prior to submission for consideration by the budget section.

SECTION 16. AMENDMENT. Section 54-35-02.3 of the North Dakota Century Code is amended and reenacted as follows:

54-35-02.3. Employee benefits programs committee - Appointment - Selection of chairman.

The legislative management, during each biennium, shall appoint an employee benefits programs committee in the same manner as the legislative management appoints other interim committees. The legislative management shall appoint ~~five~~^{seven} members of the house of representatives and ~~four~~^{six} members of the senate to the committee. The legislative management shall designate the chairman of the committee. The committee shall operate according to the statutes and procedure governing the operation of other legislative management interim committees.

SECTION 17. LEGISLATIVE MANAGEMENT STUDY - HOME RULE AMENDMENTS. During the 2011-12 interim, the legislative management shall consider studying procedures for proposing, adopting, and implementing changes to county and city home rule charters and ordinances and resolutions adopted under home rule powers. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-third legislative assembly.

SECTION 18. RETROACTIVE APPLICATION. House Bill No. 1141, as approved by the sixty-second legislative assembly, is retroactive in application to January 1, 2011. Upon the effective date of this Act, the director of the office of management and budget shall recalculate the maximum monthly lodging reimbursement for members of the sixty-second legislative assembly based upon section 1 of House Bill No. 1141 to be effective beginning January 1, 2011.

SECTION 19. EMERGENCY. Section 18 of this Act is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

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

	Reduces Funding for Prairie Public Broadcasting ¹	Removes Funding for Capitol Grounds Signage Projects ²	Reduces Funding for Parking Lot Repairs ³	Adds Transfer to Public Transportation Fund ⁴	Total House Changes
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Capital assets		(400,000)	(500,000)		(900,000)
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Prairie Public Broadcasting	(837,138)				(837,138)
State student internship program					
Transfer to public transportation fund				100,000	100,000
Total all funds	(\$837,138)	(\$400,000)	(\$500,000)	\$100,000	(\$1,637,138)
Less estimated income	0	(400,000)	0	0	(400,000)
General fund	(\$837,138)	\$0	(\$500,000)	\$100,000	(\$1,237,138)
FTE	0.00	0.00	0.00	0.00	0.00

¹ Funding from the general fund for Prairie Public Broadcasting is reduced by \$837,138 to provide total funding of \$1,000,000. The executive recommendation provided \$1,337,138 of funding for Prairie Public Broadcasting, and the Senate added an additional \$500,000 of one-time funding.

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³ Funding for Capitol complex parking lot repairs is reduced by \$500,000. The Senate added a total of \$1,000,000 from the general fund for Capitol complex parking lot repairs.

⁴ A section is added to provide a transfer of \$100,000 from the general fund to the public transportation fund during the 2011-13 biennium.

This amendment also:

- Adjusts Section 2 to reflect the removal of one-time funding for Prairie Public

- Broadcasting and the reduction of funding for Capitol complex parking lot repairs.
- Removes Section 5 which transfers \$388,580,000 from the permanent oil tax trust fund to the property tax relief sustainability fund.
 - Adjusts Section 9 to provide intent that funding is provided to each state agency equal to a 3 percent state employee salary increase each year of the 2011-13 biennium, the same as the executive recommendation. The Senate included intent that funding is provided equal to a salary increase of 4 percent the first year of the biennium and 1 percent the second year of the biennium.
 - Adds a section regarding Information Technology Department review of proposed state agency information technology projects with an estimated cost of \$100,000 or more.
 - Adds a section to require certain draft appropriations acts to be submitted to the 63rd Legislative Assembly in an alternative format.
 - Enacts two new sections to the North Dakota Century Code relating to public improvement project bids and reports on federal grants.
 - Amends Section 54-16-03.1 relating to the action of the Emergency Commission.
 - Amends Section 54-35-02.3 relating to the membership of the Employee Benefits Programs Committee.
 - Provides for a Legislative Management study of amending county and city home rule charters, ordinances, and resolutions.
 - Adds a section to retroactively apply the provisions of House Bill No. 1141 relating to monthly lodging rates of members of the Legislative Assembly. The section is declared to be an emergency measure.
 - Adds a section to create a new subdivision to subsection 6 of a new unnumbered section added to Chapter 52.1-02 in 2011 House Bill No. 1438 relating to an employer's prohibition of firearms.

2011 SENATE APPROPRIATIONS

CONFERENCE COMMITTEE

SB 2015

2011 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee
Harvest Room, State Capitol

SB 2015
04-25-2011
Job # 16865

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A CONFERENCE COMMITTEE ON OFFICE OF MANAGEMENT AND BUDGET

Minutes:

One Attachment

MEMBERS PRESENT ARE AS FOLLOWS:

SENATE: Senator Holmberg, (chair), Senator Stenehjem, Senator Taylor

HOUSE: Representative Carlson, Representative Delzer, Representative Glasheim

OMB: Sheila Peterson; Pam Sharp

LEGISLATIVE COUNCIL: Brady Larson, Allen Knutson

Chairman Holmberg called the Conference Committee to order at 11:00 am in the Harvest Room in reference to SB 2015, the OMB budget. Roll call was taken. Let the record show that all conferees were present.

Representative Delzer: Look at 11.8138.02017, page 4 Statement of Purpose. Look at the foot note #1. The house reduced the funding to Prairie Public. We removed the \$500,000 that the Senate added for the reconstruction of the two buildings; we also removed \$337, 138 of operating money. There was concern about using tax payer money for something that goes out and asks for donations and using taxpayer money for things that are not necessarily supported by everybody who pays taxes. The other issue was the House got a list of how many agencies contribute to Prairie Public besides OMB such as higher ed. On page 5 footnote #2, we removed signage \$400,000. That did not fit in the priority of things that need to be done. Footnote #3, we removed \$500,000 on the Capitol complex parking lot repairs. That was also priority issues. A California group did a chemical application and it ends up being almost like cement. We may want to use that as a pilot project on a parking lot here at the capitol because it is very reasonable compared to using asphalt. That was one reason it was decreased by \$500,000. Footnote #4 came out of the full committee.

Chairman Holmberg on the parking lot, is that the same company that is running an experiment on the roads in the Tioga area?

Representative Delzer: It's the same one.

Chairman Holmberg: When will we get that report as to whether or not it worked? I know it went in last fall.

Representative Delzer: To actually know how well it is working we will have to wait until the spring thaw is out. Those parking lots were funded, and then OMB had the issue of the generator, so they transferred money from the parking lots to the generator. Then they asked for money to be added for the parking lots. That was probably done on your side. Are there more questions on the fiscal side?

Senator Stenehjem: Did they give you information regarding the construction product that was used?

Representative Delzer: That was brought forward by Representative Skarphol. He has a sample of it. He has been involved in the test project. He said at that time things were looking real good there. That is where that issue came from.

Senator Stenehjem: Can we have the council look at that product information?

Chairman Holmberg: I'm sure that can be done. That test project was funded privately?

Representative Delzer: I don't believe the state DOT had any money. I think the local county did. If you keep reading on the amendment on page 5, We removed Section 5 because it will be in 1451. Section 9, the House adjusted to 3 and 3, the Senate did 4 and 1, the language for 1 and 1 retirement side, we left. On page 2 of the amendments, the sections that the house added:

Section 10, when we dealt with a number of different bills, we actually put language in. We felt we should have agencies talking to the IT system before they get too far along, we put the limit at \$100,000 and then it needs to receive a recommendation to go ahead from IT before proceeding with any study relating to the project.

Section 11, I visited with the Senate about 1350, same as 1011, except we put it in as an amendment to last times' bill as passed by the legislature. This would simply put one of them in front of the Senate, the Highway Patrol, and then it would pick three bills for the House. The governor's proposal and recommendations are amendments to last time's bill.

Section 12 of the bill, is like the Historical society, the bids came in much less than what was appropriated. We are trying to set that up, so it does not just get spent. It has to be submitted to OMB before they can make any changes. Also the OMB shall report all approved change orders or additional expenses to the budget section.

Section 13, adding a requirement that 4 agencies put in for a grant of over \$25,000. We excluded the board of Higher Ed. If they go over \$25,000 they need to report that to OMB and then OMB will report that to the budget section.

Chairman Holmberg: Did the committee solicit input from state agencies to find out if they thought this would be a huge impediment or was there not a lot of discussion with the agencies who do that? The health department, Human Services, and DOT.

Representative Delzer: I think there was discussion with OMB. I'm not sure how many agencies appeared before government ops. I'm not sure if information was solicited from them.

Chairman Holmberg: I'm guessing that we would hear if there was a huge problem.

Representative Glassheim: During testimony regular government grants like the HHS, were not included in this; only new specific grants that were applied for.

Representative Delzer: I don't know if we need to change the language.

Chairman Holmberg: We will have legal look at that.

Representative Delzer: Section 14, both houses passed a bill that allows for guns on the parking lots, and one of the things that is exempted from that is prisons and the state hospitals. That is in 1438.

Section 15: There was a situation, something was denied by the emergency commission and yet still came to the budget section. What we are trying to say is things require approval from both if they don't get approval from the first one they do not come to the second one until they get approval.

Section 16: It was requested by some members of the House to increase the size from 4 to 6 members of the Senate and from 5 to 7 members of the House.

Chairman Holmberg: I served on that committee and it was a struggle to get a forum at times with the small number of folks.

Representative Delzer: Section 17 we added a home rule management study. That would be considered by the management whether to be adopted or not.

Section 18 is retroactive application of HB 1141. The Senate has since defeated 1141.

Chairman Holmberg: I have heard that there are folks that have amendments prepared and would like this committee to look at them. We aren't going to take action but we could get an idea of the flavor of what might come in.

Representative Delzer: There is an issue on the flooded lands. 1268 was defeated in the House. 2047 is still out there. There are some points of contention between the House and the Senate. If that bill dies, I have been asked to bring forward an amendment that would fix the problem of the Fort Berthold not getting the 2.8M that they claim they should have gotten. That has been asked for if 2047 doesn't get resolved.

Chairman Holmberg: Representative Glasshiem, is there something you would like to share with us?

Representative Glassheim: I have a couple, one would remove 1 time expenditures from the requirements of the budget stabilization fund. The other was to bring the budget stabilization fund to 9%. It's 9 ½ now.

Chairman Holmberg: Brady, are you keeping track? It's nice to get an idea how much struggle we might have.

Representative Glassheim: Another one requests legislative council in its weekly budget reports to separate 1 time expenditures from on-going expenditures so we can see what doesn't have to be done next time if the revenue is turned back. The only other one is to restore the transit monies to the \$700,000.

Representative Carlson: With the passage of 1451 there will be several reconciling type of amendments required where we have taken funding from the funds that will no longer exist. We need to keep that in mind before we wrap this up. Another one has to do with Section 18 on the lodging reimbursement. I know the Senate killed that but they by killing the retroactive part you also killed the 65% formula which is going to be a problem for us again next time. So that issue should be discussed.

Chairman Holmberg: That will be on Brady's list. When we had our conference committee on 1001 today, that was discussed and from the conferees on the Senate on 1001, I didn't sense any reluctance at all to go back to that 65% issue that was in 1411. The problem was the retroactivity which has already been discussed.

Senator Stenehjem: If you are going to do that the amendment needs to explain that it will not be retroactive even if they try to slip that into some other bill somewhere else.

Chairman Holmberg: Was there anything else?

Senator Taylor: Let's focus on the differences.

Senator Stenehjem: I did find one. There was a slight error in 2015. It has to do with the housing authority. When they did the bill, they didn't put in some of the agencies. It's in 1145; needs to be in 2015.

Chairman Holmberg: There was a long list that should be added in just for clarity.

Senator Stenehjem: It had to do with auditing.

Chairman Holmberg: It was so much cleaner if the statute was cleaner, there is language in there but we will get that. We will be back later. We are excused.

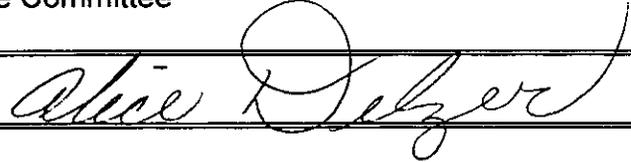
2011 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee
Harvest Room, State Capitol

SB 2015
04-26-2011 (9:30 am)
Job # 16886

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A CONFERENCE COMMITTEE HEARING ON OMB

Minutes:

Attached amendments and roll call sheets

MEMBERS PRESENT ARE AS FOLLOWS:

SENATE: Senator Holmberg (Chair), Senator Stenehjem, Senator Taylor
HOUSE: Rep. Carlson, Rep. Delzer, Rep. Glassheim

OMB: Lori Laschkewitsch, Pam Sharp
LEGISLATIVE COUNCIL: Brady Larson, Allen Knutson

Chairman Holmberg called the Conference Committee to order at 9:30 am on Tuesday, April 26th in the Harvest Room. Roll call was taken. All conferees are present.

Chairman Holmberg: We are on our second meeting and probably not the last meeting on 2015. Are there any other issues committee members would like to bring forward for our consideration at this time?

Rep. Carlson: One issue that was brought to me this morning. It has some merit so I think we should discuss it. We passed Bill 1185 out of the House and Senate. And what it did, it dealt with contracts for highway improvements and it said that it exceeds \$100,000 must be advertized for contract which exceeds \$50,000 but does not exceed \$100,000 the county then shall seek quotes from at least two contractors which mean they wouldn't have to advertize and that passed in both chambers and what they brought forward to me was just turning that into an emergency clause which probably makes sense because it allows them to get on those jobs right away this spring with all the road work and inundated roads and things. I don't have copies for everybody, they just gave this to me in the hallway and it does makes sense to me to be able to allow them to have the emergency clause, being the language has passed both chambers, instead of waiting until August 1st, they could do it right away.

Rep. Carlson moves the amendment regarding the emergency clause. Seconded by Rep. Delzer.

Chairman Holmberg: We'll make sure everyone gets a copy. All it says is 1185 act is to be declared an emergency measure. That seems reasonable. This is discussion on that issue.

Rep. Delzer: It's kind of a procedural motion or a question on how we are going to handle this. Are we just going to make a motion on each one of these as we go through, and then at the end put a package together that we do everything?

Chairman Holmberg: Right. On these amendments that we're adopting we're not acceding to the Senate amendments or retreating from your amendments, we are directing the Legislative Council to add unto their list of things that this is something that this committee has approved and should be in our final package. But we are not going to play the game of "Oh, you receded from your amendment" that kind of thing. Brady you have that. Call the roll on that amendment.

A roll call vote was taken on Proposed Amendment adding the Emergency Clause. Yea: 6. Motion carried.

Rep. Carlson: I'll bring up another issue. There was a bill for lodging reimbursement. That bill changed the formula, it was 90% of the federal times 65% is the correct language on the bill. Then it had a retroactive clause to it. **I would move that amendment be added unto the OMB Bill.**

Chairman Holmberg: Which amendment?

Rep. Carlson: The whole works. The 65% formula is very important for next time.

Chairman Holmberg: You are asking us to amend in 1141 as the House passed it?

Rep. Carlson: Correct.

Chairman Holmberg: Do we have a copy?

Rep. Carlson: I did not have a copy here.

Chairman Holmberg Asked Rose to copy the House Engrossed Bill, 1141, not what the Senate did because he is asking for the House Engrossed Bill on 1141. We will come back to this when we get our copies. We will deal with other issues that need to come forward at this time.

Senator Stenehjem presented amendment # 11.8138.02029.

Brady Larsen: This bill here adds a new subdivision to a section created in HB 1145, and that bill provides for certain requirements for auditing by the state auditor and it just states that are certain political subdivisions in other entities that are subject to auditing by the state auditor or as otherwise provided by law and it goes through quite a long list, about 20 different entities, and it would just add into that list of entities subject to this section.

Chairman Holmberg: The discussion I had with the chairman of the committee in the Senate was that they had inadvertently left it off and it was cleaner if it was listed as part of the original 1145. Could we have a motion on this amendment # 02029

Senator Stenehjem moves the amendment. Seconded by Rep. Glassheim.

A roll call vote was taken on amendment #.02029. Yea: 6. Motion carried.

Chairman Holmberg: Now we have before us, you should each have a copy of House Bill 1141, which **Rep. Carlson has moved**. Was there a second to attach the language of 1141 to 2015. Is there a second to that motion? **Seconded by Rep. Delzer.** (Meter 8.29)

Rep Carlson: We understand how this bill was dealt with in the Senate. We do watch, as I am sure you watch. I think it's really important that we not have this issue on our plate every time. We've been pretty much assured that if it goes to 65% level that we won't have to be back addressing housing issues next time when we come back here. There's a number of members in my Chamber who, when they went hunting for housing, in spite of what everybody says, they went to the places they normally stayed and they couldn't get the rate of \$1040 and they had to pay out of their own pocket and I think the retroactive part of that should be reimbursed and that's why I am bringing this idea back.

Senator Taylor: I think at least on my part it's not the 65% that's troublesome, of course, it's the retroactive. You don't have to look around too far out in the public to find out not a lot of pleasure for legislators doing anything retroactively when we came down here and knew that \$1040 was the price and there certainly some places available. We probably have to make that move in the future but I think it's not looked upon real kindly out there on the street and it wasn't in the Senate for that reason also.

Rep. Carlson: I am not sure where the Senators were looking but we had people go back to the same institutions or the same places they had stayed for a number of sessions, and they were told they could not get it for that going rate of \$1040 so they moved around and not every one could find a room at \$1040 and it's not a raise, not money in the pocket of our legislators. You only get reimbursed what it costs. I think it's unfair, especially for the new members coming in and they can't find anything for that level and they are paying out of their pockets. If everybody in the Senate got it, I would be surprised. But I know there is a number of House members, I am surprised we hesitate to give them that reimbursement and we think they need to pay out of their pocket to be here.

Chairman Holmberg: One of the points you made clearly is very true. The way it is reported in the popular press, some writers make it sound as though this money is going into the pockets of legislators and that is erroneous and unfortunate but it is the way some view everything we do. Any other comments?

Senator Stenehjem: From the Senate standpoint we voted on it at least 2 times and the Senate rejected it, turned that down. That's the wishes of the Senate that the retroactive part isn't in there. I personally don't have a problem with moving it to 65% of the rate next session but that was the wishes in the Senate and most of the people that talked to me about it were freshman legislators said they had no problem finding 1040 room.

Rep. Glassheim: I went to the place where I really liked staying and when they told me it was \$1200 I said I don't have that kind of money to lay out so I ran around town and I found 1040 and I just, it's hard for me to understand why others didn't do the same. I've hardly ever voted for retroactive, it would have to be a very, in anything, because it seems to me that the basis of contract law is if you know what you are doing, that's what the rules are and you play by the rules. I don't generally care for retroactive things that change the rules in the middle of the game. Seems to me you can rent condos and apartments of people going south for whatever the going rate is and people are happy to have you. I know some legislators have paid additional money for years because they want a nicer place and they know they are doing that when they go into it.

Chairman Holmberg: Any more discussion. If not, call the roll please on the insertion of the House version of 1141 into 2015.

A roll call vote was taken on the insertion of 1141 into 2015. Yea: 2: Nay: 4. Motion failed.

Chairman Holmberg: Motion did not carry.

Rep. Glassheim: Do we have the 65%.

Chairman Holmberg: No. There is no increase in any bill at this time for next session unless we were to do something in 2015 that could pass both bodies.

Rep. Glassheim: Just for a trial I would move we adopt the 65% language from this bill without the retroactive clause.

Chairman Holmberg: I know that amendment is in order but let's get the amendment written up and sent out to us and we will take that up at our next meeting. How does that amendment interact with 2015 with it's language tying things to 1141? Are the words in the current version of 2015 are inoperative because there is no 1141? It's like an appendix, just sitting there with no purpose.

Allen Knutson: Because HB 1141 did not pass the section that was added through the retroactive part wouldn't be effective because it does reference HB 1141.

Chairman Holmberg: So at some point we are going to have to address that. He asked if something could be drafted up by legislative council. He was told yes (but not stated in the michrapones) Any other item?

Rep. Delzer: We passed a couple of emergency clauses, in the end are they all going to be rolled into one section or separate sections.

Allen Knutson: Yes, one section.

Chairman Holmberg: Brady, are you ready to explain amendment #.02040? We have another emergency clause.

Allen Knutson: It relates to SB 2083 that deals with OMB so maybe they can explain what the purpose is.

Pam Sharp: SB 2083 was a very simple bill all it did was allow the Director of OMB to appoint an designee to receive garnishment papers. Our practice actually had been allowing someone else to receive it and the Attorney General's Office pointed out that we needed a statute change to follow the letter of the law so 2083 was passed and it allows the Director of OMB or an appointed designee to accept the papers so this just gives us an emergency clause so we can start acting on that right away.

Chairman Holmberg: 2083 passed without dissent. We have before us amendment # .02040.

Rep. Carlson moved amendment # .02040. Seconded by Senator Stenehjem.

A roll call vote was taken on amendment # 11.8138.02040. Yea: 6. Motion carried

Chairman Holmberg: Anything else today? We will mull over what we have discussed. We will be rescheduled. Thanks for coming over. We are adjourned.

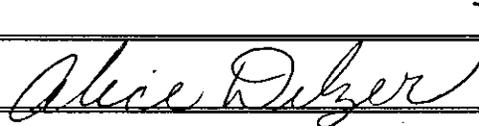
2011 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee
Harvest Room, State Capitol

SB 2015
04-26-2011 (6:15 pm)
Job # 16906

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A CONFERENCE COMMITTEE ON THE OFFICE OF OMB

Minutes:

Attachments 1-2

MEMBERS PRESENT ARE AS FOLLOWS:

SENATE: Senator Holmberg (Chair), Senator Wardner, Senator Robinson

HOUSE: Representative Carlson, Representative Delzer, Representative Glassheim

OMB: Lori Laschkewitsch, Pam Sharp

LEGISLATIVE COUNCIL: Brady Larson, Allen Knutson

Chairman Holmberg called the Conference Committee to order at 6:15 pm on Tuesday, April 26th in the Harvest Room. Roll call was taken. All conferees are present except Senator Taylor at the moment. (He came in at this time so all conferees are present.)

Representative Klein: The Hay group did a study for us. Because they have done that we need some language that clarifies how they are going to deal with the revenue of the 3 and 3 that we have put into the existing pay package because we are not going to be adding additional money. I will have Allen explain this amendment.

Allen Knutson: (He reviewed amendment 11.8138.02019.) See Attachment #1. This amendment replaces the language that is in the bill. Section 9 and 10 separate the increases relating to non-classified employees that will be based on performance and equity as is currently provided for in the bill. So that doesn't change. What does change is in Section 9 the last sentence of the first paragraph. The rest of it remains the same. In Section 10, this relates to the Hay group report, OMB shall set the external competitiveness target. Whether that is set at 95% of market or 100% of market, that will be adjusted by OMB based on the funding that is available. That is what the first sentence says under Section 10. Then secondly OMB shall develop the guidelines for agencies to use for to provide for compensation adjustments for the biennium. The last part of Section 10 indicates that the guidelines must be developed in accordance with the compensation philosophy statement... (he finished reading the last sentence of Section 10.) Section 11 is simply reporting to legislative management by OMB on the status of the implementation of the compensation philosophy statement and the initiatives

included in the HBB 1031 during the next interim. HB 1031 did include a section for reporting until June 30th and this would just continue that into the next biennium.

Chairman Holmberg: Any questions?

Senator Taylor: Section 10 doesn't actually set a guideline of 98% or 100% or dedicate dollars to that?

Allen: That is correct. It indicates to OMB that they need to work with the Hay group to determine, based on the new classification structure that the Hay group is recommending, what level we can get to.

Chairman Holmberg: Any additional questions of Allen?

Representative Glassheim: What is the external competitiveness target?

Allen: It's part of this study. The Hay group indicated that what they have done is a custom salary survey. That surveyed employers in the state and out of the state that the state is considered to be losing our employees to and then hiring employers from, the competitiveness market that we are working with for employees. What this sets is based on that survey they have done, they have identified what our market comparison is for salaries by position, by these benchmark positions that were included in the survey. What this does is set as a percentage of market where does the state want to be for setting the mid-points of the salary ranges. Whether it is at market or 95% of market, in the past the goal was to be at 95% of market.

Chairman Holmberg: Any additional questions?

Representative Carlson: Moved amendment 11.8138.02019.

Representative Delzer: Second.

Representative Glassheim: I'm glad we are doing something with the Hay study, but if we are 5% to 10% behind anyway without any additional money we are going to get nothing much in terms of actually getting anywhere near what we ought to do. I am concerned with being even further behind as we move ahead.

Representative Carlson: Part of this whole process was having new classification levels. It wasn't just a matter of saying we need more money for everybody in the old system. It says we have to look at the old system and reclassify them. This says we are going to have the new classifications that have been set up but we are only going to work within the parameters of the money that is available.

Chairman Holmberg: And without this amendment what would be the impact on the employees?

Pam Sharp: Without this amendment, I am not sure that OMB would have the authority to set the market point and there will be some state employees that fall below the minimum so we will

need to make our ranges wide enough so people don't fall below the minimum. We need the authority to set that market. It give us authority to provide guidelines to the agencies on how to deal with their salary increases relative to the new study.

Senator Taylor: The minimum is not dictated in here. OMB would decide if the minimum would be at 75% or 80%.

Pam: That is true.

Chairman Holmberg: It appears that without this bill there would be more problems. I don't believe this conference committee is going to add additional funding for employee compensation. Call the roll on .02019.

Roll Call Vote: 5-1-0

Chairman Holmberg: That has been approved. Do we have anything else?

Senator Stenehjem: (He presented amendment # .02030.) See Attachment #2. He made a motion to adopt amendment # .02030.

Representative Carlson: Second.

Representative Delzer: Is there any kind of limit on the size of the office space they could buy or construct? I understand they have to use money from within the budget to do it. They lost their office space up there?

Senator Stenehjem: Where they would have been doing it at the district office is not very conducive to truck traffic which they would have from people coming in and trying to register their vehicles. They would hope to recoup their expenses by what they charge.

Chairman Holmberg: I have a question for Brady. The intent of this is to only last until the end of this biennium? 2011?

Brady: Yes.

Allen: We could follow up and make sure that it is.

Chairman Holmberg: We will put this on hold for now. Do we want to do one more?

Representative Delzer: I don't have an amendment to offer but I would like to bring up the issue of the Fort Berthold land. There was a mistake made two years ago where we passed a bill but it ended up getting defeated. It had a correction in there of 2.8M, correction in the language. 1268 is the original bill that took care of that fix. I was wondering what the conferees thoughts are. Should we fix that again?

Allen: That is correct. It was HB 1268 that was defeated. It would have made..inaudible... oil allocation situation. It would reduce the state share of oil and gas tax collections by about about \$2.88M.

Chairman Holmberg: What was the legislative history? Was it defeated in the House? In the Senate?

Representative Delzer: It was defeated in the House after the Senate put some amendments on it. We don't need to bring that up today.

Chairman Holmberg: We will adjourn.

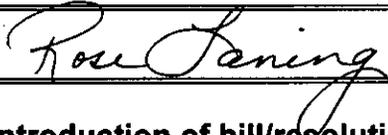
2011 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee
Harvest Room, State Capitol

SB 2015 conference committee
April 27, 2011
Job # 16911

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

This is a conference committee hearing on SB 2015 – Office of Management and Budget

Minutes:

You may make reference to "attached testimony."

SENATE: Senator Holmberg, (chair), Senator Stenehjem, Senator Taylor

HOUSE: Representative Carlson, Representative Delzer, Representative Glassheim

OMB: Sheila Peterson; Pam Sharp

LEGISLATIVE COUNCIL: Brady Larson, Allen Knutson

Chairman Holmberg called the hearing to order and roll call was taken. Asked Allen Knudson to inform them of the DOT amendment that was presented yesterday and the question came up about the ending date on that amendment 118138.02030.

Allen H. Knudson: We checked with DOT and they asked that the date be 2013 instead of 2011. If we can just pencil it in and make the change if it's approved.

Vote # 1-

Senator Stenehjem moved to adopt 11.8138.02030 and make the change to 2013.

Rep. Carlson seconded.

A Roll Call vote was taken. Yea: 6 Nay: 0

Motion carried.

Rep. Carlson: I have three amendments that all have to do with the passage of 1451 where we had the money being covered in those bills from either the Permanent Oil Trust Fund or Land and Minerals. We need to make that correction so they are actually covered from the general fund and those budgets are intact. I'll ask Allen to explain these, but I'll hand all three of them out. (handed out amendments .02033, .02034, .02035)

Allen H. Knudson: I'll start with .02033. This provides an appropriation to the department of Human Services of \$1,474,362. They had received an appropriation earlier in the past biennium for the MMIS project. This amount was going to be carried over and spent in the 2011-13 biennium for the remaining cost of the MMIS project out of the Permanent Oil Tax

Trust Fund. But because that fund will now be repealed, I'm appropriating the money directly out of the general fund.

Vote # 2 -

Rep. Carlson moved amendment .02033.

Rep. Delzer seconded.

A Roll Call vote was taken. Yea: 6 Nay: 0

Motion carried.

Allen H. Knudson: Amendment .02034 amends HB 1014 as it passed. In that bill there was \$743,172 appropriated from the Permanent Oil Tax Trust Fund to the department of Mineral Resources for some positions relating to oil and gas regulations. Since that was a special fund appropriation within the line items, in section 1, we can see down at the bottom where we are overstriking the estimated income in general fund. We're changing that from special funds to a general fund appropriation. We also have to change the bill total at the bottom of page 2 and then on the top of page three is where it referenced that that funding was coming from the Permanent Oil Tax Trust Fund and we simply changed that to say now that the money is coming from the general fund.

Vote # 3 -

Rep. Carlson moved amendment .02034.

Rep. Delzer seconded.

A Roll Call vote was taken. Yea: 6 Nay: 0

Motion carried.

Allen H. Knudson: Amendment .02035 relates to the Dickinson Research Extension Center. Again we're amending section 1 of HB 1020 as it was approved. If you look on page 2 under the Branch Research Centers, there was \$800,000 coming from the Permanent Oil Tax Trust Fund to the Dickinson Research Center for an operating pool. That's changed from special funds to the general fund. The bill total changes as well, and then on the top of page 3, the section of the bill referencing the Permanent Oil Tax Trust Fund has changed to now reference the general fund.

Vote # 4 -

Rep. Carlson moved amendment .02035

Senator Taylor seconded.

A Roll Call vote was taken. Yea: 6 Nay: 0

Motion carried.

Rep. Delzer: I'd like to ask Allen, I think we still have two bills in play that we may have to do something about that HB 1003 and HB 1020, but I don't think they're done yet.

Allen H. Knudson: HB 1003 is Higher Education. There is a couple appropriations there from the Permanent Oil Tax Trust Fund. In HB 1020, the Water Commission, they have issues with carry over, but I believe the amendment that has been done for that takes care of that in that bill.

Chairman Holmberg: Does the amendment on HB 1003 take care of that?

Allen H. Knudson: Not at this point, but that could be changed.

Chairman Holmberg: Which is better, to have Brady do that as he's preparing amendments?

Allen H. Knudson: It would be cleaner to have it done in that bill.

Chairman Holmberg: Al, Brady hasn't done the amendments so he could do the 1003, if Allen just told him to.

Rep. Carlson: We just want to make sure all those are done.

Chairman Holmberg: (to Allen Knudson) Do you want to tell him then to go ahead and do the transfer from Permanent Oil Tax Trust Fund in his amendments that he's going to be working on?

Allen H. Knudson: This amendment amends HB 1047 as it was approved relating to the property tax relief. Section 13 appropriates \$341,790,000 for property tax relief. It's my understanding that there's an anticipated shortfall of the amount that's needed for the 09-11 biennium of about \$212,000. What this amendment does is make this appropriation an emergency measure, so if there is a shortfall in the 09-11 biennium, they could access some of the \$341,790,000 that was appropriated for next time to make up for that shortfall this time.

Rep. Delzer: Why are we doing it this way as compared to just appropriating \$212,000? Does this limit them to \$212,000 or if there was a higher shortfall could they go in and get more?

Allen H. Knudson: They could spend more if the shortfall was greater.

Rep. Delzer: Do we know that the \$212,000 is the right dollar figure? Because they come up with that obviously after we dealt with 1047 or after we had dealt with the initial numbers of \$341,790,000. Do you have an answer on that?

Sheila Peterson: Yes, the numbers are now final. The DPI and Tax dept. have gotten all the reports from all of the counties for this current tax year. We know the exact number. It's \$211,264 and all reports are in. So we know that is final.

Rep. Delzer: I'd feel better if we did that as an exact appropriation instead of this way.

Rep. Carlson: Is it much of a change to just change this to read that exact number?

Allen H. Knudson: We could just make a separate appropriation section for that amount.

Rep. Carlson: But then it would be reflected on this biennium instead of next biennium's number.

Allen H. Knudson: It would affect your beginning balance going into next biennium as far as ending the general fund balance.

Rep. Carlson: I think that makes more sense, even though it does affect that balance because then we're clearing the books for what that last statement was instead of carrying that forward.

I would make that motion to do the \$211,264.

Senator Stenehjem: We're doing it as a separate amendment now?

Rep. Carlson: In place of this amendment, it would be that separate amendment to cover that number.

Senator Stenehjem: I want to see that amendment before we do it. Let's get it and then we'll bring it forward.

Chairman Holmberg: Anything else?

Rep. Delzer: If the committee wants, I would pass out what I talked about yesterday - the \$2.8 for Fort Berthold. I know it was my understanding and I'm not an expert on finance and tax, but the thought was that we would not reduce Fort Berthold because of the language in this section and yet that's what happened. This would fix that. It would be a cost to the oil income of \$2.8M.

Vote # 5 -

Rep. Delzer: I would so move the amendment 11.8138.02032.

Rep. Glassheim seconded.

Rep. Carlson: Can you give us any insight as to what happened and why this came about?

Allen H. Knudson: I'm not that familiar with it, but I know there was some language changed last biennium that was intended to hold the counties harmless and that wasn't actually what occurred. The counties ended up taking the reduction in the revenues on the oil and gas tax collections in that area. This was intended to make that adjustment so that would hold the counties harmless and then the reduction would be to the state's share of the oil and gas tax collection.

Rep. Carlson: Was this part of another bill that we killed that was included in that and then other things were added in to it and then the whole bill died? I'm just trying to follow the history of this as it went through.

Rep. Delzer: My understanding was that 1268 was put in initially just to handle this issue. Then when it went to the Senate, there were amendments put on that the House did not agree with. It ended up that it died along with 2047. We were asked to bring this forward and I'm bringing it forward.

Senator Stenehjem: I'm not inclined to support this. The bill was in front of the House. You guys killed the conference committee report and you didn't want to compromise on it, then you killed the bill so here we are. We should've dealt with it in conference committee and did whatever. There were some other things that the Senate had a position on that were in that

bill that we still feel are important. We should've dealt with it in there. I'm willing to live with the fact that you killed the bill. We're kind of going behind the Senate's position if we were to just include this piece in there or a part of it.

Rep. Carlson: I could make the argument that we sent the bill across with the \$2.8M in it and it morphed into something else that we weren't willing to accept so we did vote on it and you voted on a different version. Whatever you do, we want to support it on our side even though it affects \$2.8M because it was a commitment that was made to those counties and their was an error there.

Senator Taylor: Just looking at that amendment from the Senate. It looked like it revolved around those dollars going into the energy development impact office and then needing to be applied for. I'm just trying to remember the issue if that was so onerous in the House's eyes or tell me more about why that was such a bad deal.

Rep Delzer: The issue was is we were trying to go against federal land because the money we were talking about there was flood money that went out and they wanted to get a handle on all the money that went out. The understanding in the House was that we didn't sit on that conference committee or anything so we don't know for sure, but what the Senate was proposing would go against federal law and how that money has to go back out.

Senator Stenehjem: My understanding of the bill is that it would simply release all the monies to where the federal law says the money should go. The only difference is there is more transparency and you know exactly who got how much money and what they're doing with it. It never tried to take five cents from one place and put it in someplace else that it didn't intend for the money to go to - a recording and reporting process so we have a handle from the state end of things in how much money is going out to these counties as they come in and say that they don't have enough money to do this and they don't have enough money to do that. It was intended to put every nickel in there and go out to where it was intended to go.

Rep. Delzer: I don't think there were any problems with the intentions of what the Senate was trying to do, it was physically how it was being done in the bill would just not work. The issue was discussed many times, but they never came to an agreement on it.

Rep. Glassheim: This language is exactly what was agreed upon by the Senate and the House two years ago. Then when it came to be codified, it was changed. The reason this was put in was just to bring it back to what had originally been passed in the 09-11 session. It was almost a housekeeping bill to get it right after something happened in the last days with the language not being recorded as it was intended by the House and Senate two years ago.

**A Roll Call vote was taken. Yea: 4 Nay: 2
Amendment fails.**

Senator Stenehjem handed out amendment .02022 and said this has to do with the 3rd party payer in the contracts. If there is a rebate offered by a pharmaceutical company and asked **Rod St. Aubyn (Blue Cross/Blue Shield ND)** to explain the amendment.

Rod St. Aubyn: If there is recoupment from a pharmacy audit, the way the law says right now, the recoupment has to go back to the group. The problem is that in group business, in the fully insured market, the money actually goes back into the pool to help pay offset claims. This says it would remain within the pool to offset claims unless its written in the contract between the insurer and the group that it could go back to the group. Otherwise, whatever money goes on these recoupments, if you're going to take it and apply it to the group, the employer itself, it means that premiums have to be increased by the same amount that would make the offset. It's about \$100,000.

Chairman Holmberg: Anyone have any questions?

Vote # 6 -

Senator Stenehjem moved amendment .02022
Rep. Glassheim seconded.

A Roll Call vote was taken. Yea: 4 Nay: 2
Motion failed.

Chairman Holmberg adjourned the hearing.

2011 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee Harvest Room, State Capitol

SB 2015
04-27-2011 (2:00 pm)
Job # 16919

Conference Committee

Committee Clerk Signature

HN *Alice Delzer*

Explanation or reason for introduction of bill/resolution:

A CONFERENCE COMMITTEE ON OMB BUDGET

Minutes:

Attachment: #1

MEMBERS PRESENT ARE AS FOLLOWS:

SENATE: Senator Holmberg (Chair), Senator Stenehjem, Senator Taylor

HOUSE: Rep. Carlson, Rep. Delzer, Rep. Glassheim

OMB: Tad H. Torgerson, Sheila Peterson

LEGISLATIVE COUNCIL: Roxanne Woeste, Allen Knutson

Chairman Holmberg: Called the Conference Committee to order at 2:00 pm on Wednesday, April 27th in the Harvest Room. Roll call was taken. All conferees are present.

Chairman Holmberg: What we are going to do now is let's go through the bill as it exists right now so we understand the difference are so the Council can proceed with putting things together for our final product. What is the correct the number should we look at now as we go through the bill?

Allen Knutson: Will it make any amendments to the engrossed bill as it passed the Senate ...at the first meeting the House went through their amendments HB 0217. Suggestion if you could go through those amendment and let us know what parts of the House you agree with so we know our starting point for putting the amendment together.

Senator Stenehjem: Did they not end up in an engrossed version?

Allen Knutson: It is not an official engrossment.....we always go back to the bill as it passed the first House when we do the final set of amendments.

Chairman Holmberg: The final set of amendment would be that the House would recede from its amendments and the bill be further amended.

Senator Stenehjem: Do we go back to the original bill 1000/2000/3000?

Allen Knutson: 2000

Senator Stenehjem: The Senate version.....that will help me.

Allen Knutson: The amendments to 0217 are all to the 2000 version.

Chairman Holmberg: We are doing this because that's the version that they have to work from. Let's take a look at the bill. I know Rep. Delzer walked through it, let's walk through it again with 0217 now with version 2000 so we can mark it up and know exactly where our differences may be.

Rep. Delzer: First off the funding side, the house removed \$837,138 from Prairie Public. The Senate.....the original bill came in 137,138 for Prairie Public and the Senate added \$500,000 for construction at the office buildings at Fargo and Bismarck. The House removed the \$837K leaving it at 1M of support. Part of the reason we did that is how much comes out from the agencies from the state, and I did get copies of those, and will pass it (Attachment # 1 State Agency Payments to Prairie Public Broadcasting). It was felt strongly by the House appropriations by committee the state should not get into remodeling the Prairie Public buildings.

Chairman Holmberg: Did you look at these from the standpoint of the State Historical Society buying service from them....the money would go to them. Would it not show up here that they had given money, but was purchasing of services, programming for example?

Rep Delzer: We did.....it was services and programming, possible of donations in some cases. They were getting advertising out of it.

Chairman Holmberg: Which is normal for some of the groups?

Rep Delzer: The next issue we have, we removed the exterior signage of \$400,000 from capitol complex, and we felt that on the priority list, some money should be reserved for the limestone (having problems) instead of the signage. That was in the executive budget and comes from the cap complex fund, that fund receives some extra money this time; I believe the original was 2.8M. We left it on page 2, line 11, I don't see where we left it out, we took out the \$400,000 and make changes for parking lots. They are both out of that fund, the capitol fund.

Chairman Holmberg: In the discussion in the Senate about the \$1M discussion was the parking lot. If we don't re-do it now, in 2 years from now, it will cost a lot more money if we wait another 2 years.

Rep Delzer: We did fund a good share of that last time and it hasn't been done. The money was moved over for the generators and you can't really argue with that.

Chairman Holmberg: Also some utilization of funds for generator.

Rep Delzer: They used it for the IT situation when we lost our IT backup. Next issue, we added \$100,000 for public transit. We passed 1012.....the governor's recommendation. We

went to the formula at 5.6 and the formula in 1012 is 6.2, governor's recommendation of putting 25% of the excise tax into that distribution fund would have raised transit to 6.7 or 6.9. There is a good chance with the Bakken Formation that registration gas tax will increase more as 6.2 will go up and there is a \$500,000 increase from last time. They received the 1M as a onetime funding last time during this biennium that we are currently in, but credited from our records from the biennium before. Motion made in House Appropriations to raise it to \$700,000 that failed.....motion made to put in \$100,000 and it passed and the vote was around 2/3 of the House. I did not support that. That is the money changes we are looking at. Should we look at the money part or the section changes, too?

Chairman Holmberg: We'll do the money part now.

Senator Stenehjem: Did we talk about the \$300,000 for the parking lot this morning?

Allen Knutson: You mentioned it, which would be part of your discussion in the reduction of the \$500,000 for the parking lot if you wanted to restore that.

Senator Stenehjem: I want to get it in the right order so if we dealing with the numbers part I will get it into place. In an effort to do that parking lot program, they'll need another \$300,000 to do that.

Rep Delzer: Ask the Council when we discussed that situation out at Wildrose.....whether council was able to get any information?

Allen Knutson: We contacted DOT and received information from Senator Stenehjem. It was a project up there; we can make copies for everybody.

Senator Stenehjem: After I've been in so many meetings looking at parking lot project for the capitol, it's more than just resurfacing the parking lot. The north part is a safety issue as it relates to packages, parcel, and papers that are delivered to the capitol grounds. It's not just a matter of using that material to make this thing go, they are going to try to move things back from the capitol so not right beside the capitol with the vehicle/truck.

Rep Delzer: Wasn't that part of the renovation the \$7-900,000 on the hallway? I thought that was part of that project?

Sheila Peterson: The two projects are separate, the outdoors and indoors, they are not combined.

Senator Stenehjem: Move additional \$300,000 so they can continue the project and it will come from general fund.

Rep Delzer: It will not be adding \$3K to \$5K; I think it is adding \$3K to the \$1M as we went from 1.5M to 1M.

Chairman Holmberg: The bill that we are working on now has \$1M. Your amendment if you are making it what the House did, you would reduce that by \$200,000. Correct?

Rep Delzer: You want to go from 1M to \$800,000?

Chairman Holmberg: Which is an increase of 3K from your position. Whatever the amendment is of the motion isthat is what it is.

Senator Stenehjem moved the amendment. Seconded by Senator Taylor:

Chairman Holmberg: Further discussion?

Rep Carlson: Before you take the vote, it's a public safety thing for getting that done. Spent the last weeks trying to hold the line and now we putting \$300,000 for public safety side of the building. We have asked a lot of people to go down and make reductions, now we are asking for the capitol building and probably are worthwhile, but it is not easy to vote yes for this.

Senator Stenehjem: I can't disagree with that statement, it is tough. We have to weigh some of this....it truly is a safety issue at the building. In the future we have to address what has happened on the west side of the building too. It is not a very safe situation.

A roll call vote was taken: Yea: 5; Nay: 1. Motion carried.

Chairman Holmberg: Motion carried. Other funding issues that we need to address? Deal with the financial aspect of this bill?

Rep Carlson: Reduction in Prairie Public and public transit. Disappointed they forgot about the 1M added in, they are getting more than last time if you take the onetime payment out and I would hope it would not be any more than 100Kif that went out, it wouldn't break my heart. The other two numbers we're dealing withit would be nice for the Senate to agree to those.

Rep Glassheim: I have to humbly disagree with my esteemed leader. Of all the entities that were affected by changing the formula from the governor's 25% to the new way of doing it, the counties, cities, townships.....everybody got an increase and only transit got a decrease. Seems to me that we ought to rectify in two ways: 1.) Take away from all the others. (Not my way to proceed.) 2.) To have the general fund, to try to make it whole (no one's intention....happened by formula) **I would move we restore the additional \$300,000 to transit. Seconded by Senator Taylor.**

Chairman Holmberg: We have a motion to add another \$3K to transit. Does the Council know how to draft this? Any discussion?

Rep Carlson: Last biennium, where we finally put transit in the formula. Because of that, they are receiving more money than ever before because they did become part of the formula. In order to do that we took away from someone else, I can live with leaving the \$100K, but not to increase it.

A roll call vote was taken to restore \$300,000 to Transit. Yea: 2; Nay: 4. Motion failed.

Chairman Holmberg: Motion failed. The document we are working on there would be \$100,000 increase for transit and as Rep Carlson said I can live with that.

Chairman Holmberg: Let's handle the Prairie Public and one other issue.

Rep. Delzer: If we don't make a motion, Prairie Public would stay where the House put it.

Allen Knutson: Clarification. If you wanted to adopt the other House changes unchanged, it would be nice to have a motion to indicate that.

Rep Delzer moved the House changes unchanged regarding Prairie Public. (take House position) Seconded by Rep. Carlson.

Chairman Holmberg: Motion to take the House position which is \$1M for Prairie Public for operations but no money in it for remodeling of facilities has been made by Rep. Delzer.

Senator Taylor: We ought to defeat this motion. We ought to restore Prairie Public back to the 1.3M and we can we have a motion once we defeat this. It's been a static appropriation since 2005....one of the few appropriations that have done that. I haven't been convinced by any of the discussion at this point that the PP doesn't at least deserve to have the 1.3M. The payments that we see on the handout earlier, is what we expect folks to do in terms of contract work. Not grants.....their payments for jobs that were done. I enjoyed watching them. A lot of people in ND would continue to do so.

Rep Carlson: I can't find where Prairie Public is a state agency. We are supposed to fund the state agencies that we are responsible for. In my opinion, we have been generous over the years to fund into that because it is not a state responsibility to take care of. We made some mistakes, to Medora and Fort Abraham Lincoln; go along with our position to leave at the million.

Rep Glassheim: I would give up the ½ mil the Senate had for construction. We ought to go back to the governor's budget for operations. We fund many things that are not state agency, it is a public agency. It servers thousands of viewers annually, who also contribute on their own much more than we put in, as they find it an important service. We ought to continue at the governor's level.

Chairman Holmberg: Additional comments? I do not have a conflict of interest; however I am a former board member of PP. Please call the roll call vote to accept the House version of \$1M to Prairie Public.

A roll call vote was taken: Yea: 4. Nay: 2. Motion carried.

Chairman Holmberg: Motion carried. We are recessed

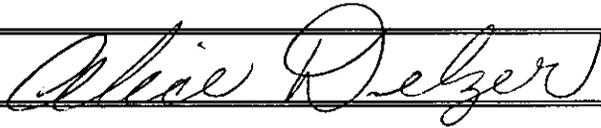
2011 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee Harvest Room, State Capitol

SB 2015
04-27-2011 4:00 pm
Job # 16923

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A CONFERENCE COMMITTEE FOR OMB

Minutes:

Attachments 1-3

MEMBERS PRESENT ARE AS FOLLOWS:

SENATE: Senator Holmberg (Chair), Senator Stenehjem, Senator Taylor

HOUSE: Representative Carlson, Representative Delzer, Representative Glassheim

OMB: Lori Laschkewitsch, Sheila Peterson

LEGISLATIVE COUNCIL: Roxanne Woeste, Allen Knutson

Chairman Holmberg called the Conference Committee to order at 4:00 pm on Wednesday, April 27th in the Harvest Room. Roll call was taken. All conferees are present.

Chairman Holmberg: There are still a huge number of necessary issues we need to address. Where we left off... we had we received a handout from Allen on one of the projects. They used a different surface for parking lots or roads. Testimony attached # 1.

Senator Stenehjem: I don't have any doubt that this is a good thing to test out, but this isn't going to fit in with the parking lot that we are talking about. Thank you for the information.

Chairman Holmberg: We did have an issue that came up that has to do with Masters of Education Leadership and it deals with the fact that we have a growing enrollment in our 2 research universities to try to meet the need of baby boomers who retire. It's primary purpose is to prevent closure and consolidation of smaller or more remote schools, and there is a request that did not make it onto 2150 which has already been passed. Senator Flakoll, will you go up and tell us in short description of the amendment?

Senator Flakoll explained amendment .02023. One of the campuses affects 45 communities. It deals with place-bound students. It is about filling the needs for superintendents and principals that they may not be able to recruit someone to those smaller communities. It is about developing a larger pool from which to draw. If they offer a higher

salary, it takes away from the instructional moneys available. If you were to combine this with the K-12 bill we would still be under the governor's recommendation.

Senator Stenehjem: Motion to adopt .02023. Seconded by Senator Taylor.

Representative Glassheim: Is this for grants for these people, more instructors, what is the money used for?

Chairman Holmberg: There's some information on the Master of Education and Educational Leadership with both campuses. See Testimony #2.

Senator Flakoll: The money is to ensure that these programs continue because of increased needs of the baby boomers, we are having trouble finding enough principals and superintendents in those K-12 districts.

Representative Delzer: Are we open for discussion? I can't bring myself to support this. We have a higher ed budget that is somewhere in the neighborhood of \$645M. We have a K-12 budget that's over \$900M. You talk about adding another 150M. I think they can find it in there. The other issue that was brought up is we would still be below the governor's budget. That is all fine and good but as a policy making branch of government I think we should be more worried about our budget.

Chairman Holmberg: Call the roll on .02023.

Roll Call Vote: 5-1-0. Motion approved.

Representative Carlson: Could we look at amendment #.02047... getting back to our lodging. This is the language that was used, they were out of their housing because the session went longer than we thought and they had given up their rooms. We paid them about \$67 something/day. This amendment puts that back in place. It talks about the reimbursement during the months of January through April of 2011 which would in a different version do the same thing that the other bills did. As far as increasing that allowance for those that paid more than the state allowed...

Representative Carlson: I move .02047. Seconded by Representative Delzer.

Chairman Holmberg: For the audience, when there is not discussion keep in mind there was discussion during the session. Call the roll.

Representative Carlson: We are more than willing to help train people to help themselves. I supported \$150,000 for a program to help train people who are going to be improving themselves but we opted to help them out to improve themselves and pay for it so they could get a better job in administration. I think we could put a couple of bucks back in their pocket.

Chairman Holmberg: It is a vouchered thing. They have to show that they actually expended that money. Call the roll on .02047.

Roll Call Vote: 2-4-0 Motion failed.

Representative Carlson: Just on lodging... We are obviously seeing some hesitancy on part of the Senate to go along with the retroactive part of the lodging. I think the best part of the bill that was defeated was the 65% and if Senator Stenehjem has that he can offer that amendment. That should not have been thrown out.

Senator Stenehjem: amendment .02046... The position of the Senate was to never go over the 65% the federal rate for reimbursement for lodging expenses. What this amendment would do would allow for next session the room rate to be at 65% instead of the current 55%. Hopefully then we won't have to have that same argument next session. This is not an amount of money a legislator gets; this has to be a vouchered expense. They have to pay that out, they only get what they have paid out.

Senator Stenehjem; Moved amendment .02046. Seconded by Representative Glassheim.

Chairman Holmberg: For the audience... the language here about the 65% is language that was passed by both houses. The difference of opinion had to do with the retroactivity. Call the roll on .02046.

Roll Call Vote: 6-0-0. Motion carried.

Representative Carlson: amendment #.02037. This is amendment deals with Theodore Roosevelt Presidential Resource Center in Dickinson. Last session I talked to former Representative Wald. He wanted that building really badly. We said if we hit our revenue projections and exceed them by x amount of %, you can have your money for your building. Well, there was a big press conference and they ran out there and told everybody that they had hit the amount and they were going to get their center. Then they recalculated the numbers and they didn't get it. For my buddy Frank, I'm putting this bill back in. It is the same version as last time because it is tied to revenue. It would be money from this time's permanent oil trust but that changes names obviously at the end of the biennium. The language is correct; it still deals with permanent oil. If the OMB determines the state share of oil and gas tax revenue received under chapter so and so exceeds February 2011 revised revenue estimates for the biennium by at least \$11M, any funds transferred to Dickinson State University are appropriated to the Theodore Roosevelt Presidential Resource Center for the period beginning with the effective date of this Act and ending June 30, 2013.

Chairman Holmberg: Allen, or OMB what is the projected revenue estimate at the present time? This is \$11M over.

Representative Carlson: The total revenue in our forecast was \$2B some odd dollars. But then there was \$600 and some odd million that was going to be not pre-committed. So I am assuming that in the number we are referring to.

Allen: This refers to the current biennium, the 09-11 biennium. The \$2B was for 11-13 biennium. I think the estimate for 09-11 was \$1.4B. If it exceeds the state share of that, that is something that is part of the revenue forecast that was released in February... that number is known.

Representative Carlson: Because we can't take the money that goes to the common schools trust and the tuition stabilization fund and all those things.

Chairman Holmberg: Does OMB know where we are at right now?

Sheila: No, I don't know.

Representative Delzer: In our budget status, anytime OMB puts out the new numbers is that put into our budget status for each month, the actual number?

Allen: No, we updated primarily to the beginning of March. That would have been the last time we updated.

Representative Carlson moved amendment .02037. Seconded by Senator Taylor.

Chairman Holmberg: Any other discussion on .02037? If not call the roll.

Representative Glasshiem: How much is Theodore Roosevelt stuff and how much is library? Is it the same library that we committed to last time? But a certain portion will be used for the Theodore Roosevelt Center?

Representative Carlson: I don't know the percentages.

Sheila: I don't know what part is TR center and what part is remodel.

Chairman Holmberg: It was presented in the budget as library. Call the roll on .02037.

Roll Call Vote: 3-3-0. Motion did not carry.

Senator Taylor: I have renewed my ambition to throw this one out. (Passing out amendment # .02049.) **He moved amendment # .02049. Second by Representative Glassheim.** It does not require any state funds, it is an authorization of federal funds already held in the Dept of Health that had been in the executive budget. The lion's share of these funds is for home visitations, a program that has been granted to the dept and about \$589,000 are actually held by the department. It is essentially to provide home visitation for at risk homes in North Dakota predominantly. A needs assessment has already been done by the Dept of Health. A lot of the needs look to be in places like Benson County and Rollette County and it is intensive home visits that start even at the prenatal level and go through the early ages to reduce child abuse, to reduce substance abuse in families that lead to low weight babies, reduce SIDS in some of these homes. It is a well researched program that will make a difference for children.

Chairman Holmberg: In the conference committee, didn't this end up on the cutting room floor on the Health Dept budget?

Senator Taylor: I believe it failed there, that is why I am bringing it here.

Chairman Holmberg: Wouldn't it be more appropriate to send it back to the conference committee?

Senator Taylor: I would hope the benevolence here would see it through to help those children at risk.

Senator Stenehjem: How much money is in that entire grant?

Senator Taylor: The \$1.795M.... \$1.413M is over the biennium. This is authority for the potential of the grant. There are two smaller line items for public health infrastructure for \$200,000 and some abstinence funding that came through the grant of \$182,000. The information I had was that so far they had received \$589,000 but are not able to access it without authority.

Senator Stenehjem: What does \$200,000 for public health infrastructure mean?

Senator Taylor: It's staffing assistance and Dept of Health performance and quality improvement training. It looks at technical assistance. I have not been on the budget for the Health Dept, it looks at Dept staff and local health staff and conducting community assessments, preparing for accreditation. This is the information that comes through. This is not new.

Senator Stenehjem: I don't feel real comfortable supporting this. I remember the emergency commission. There was a lot more tied to this grant than just this. It's a multi-year into several bienniums. It's been here before and it has been in the Health Dept's budget. I agree with the chairman.

Chairman Holmberg: Call the roll on .02049.

Roll Call Vote: 2-4-0. The motion did not carry.

Representative Glassheim: I have three that deal with the budget stabilization fund. I will pass out information on the budget stabilization fund. Testimony attached # 3. The first on is amendment # .02025

Amendment # .02025 was moved by Representative Glassheim. Senator Taylor seconded it.

Representative Glassheim: I felt throughout the session that we have been putting too much money into the budget stabilization fund. As you can see from this chart (Testimony attached #3) for 20 years we haven't had to use it. It seems to be a way to put money away for no particular purpose. As we switched money out of the land fund and permanent oil trust fund, into the general fund, we can't possibly need in the next 2 years. We are all aware that there will be more money. I don't know what it is up to now. This amendment speaks about removing a clearly marked one time funding from the 10% or now 9 ½ % requirement... my thinking being that one time funding as we go forward will not have to be replaced if we hit hard times. It is highly unlikely that we will need it, so this one removes the one time funding from the requirements of the budget stabilization fund.

Representative Delzer: Do you have a dollar figure that that figures out to?

Representative Glassheim: When you went from 10% to 9 ½% I believe there was some \$20M that went back into the general fund. Oh, this is the one-time funding...The one time funding I believe is somewhere in the \$300M range. So I think it would be in the \$20M range that would be returned to the general fund. I do note that as of this morning we are \$5M in the hole for ending fund balance. You may have other things that you are going to do about that that I don't know about.

Chairman Holmberg: Allen or Roxanne, can you tell us what the one time funding is as of today.

Allen: It is a moving target, but it is a little over \$500M. So this would amount to about \$48M that would not go to budget stabilization.

Senator Stenehjem: I want everybody to understand that it is not 9 ½ % of all the money that goes into the general fund that ends up in the budget stabilization fund. The 9 1/2% is actually based on the total general fund expenditures in the legislature. Just because money went through there it doesn't mean that 9 ½% still is retained in that fund. You take the ending balance of general fund expenditures in the state times 9.5% and that is what ends up in the budget stabilization fund.

Representative Glassheim: As of now though, it looks like the expenditures from the general fund, and we are counting money that we are paying out for property stabilization now is part of the general fund. So those become expenditures of which 9.5% is taken. We are now \$56M in the budget stabilization fund ahead of governor's projection because that is what we have transferred into the general fund. It seems to me an excessive amount, much more than we can ever possibly need. I don't see the need to have it there. It seems misleading to me to think we don't have money when we have more than enough. It has gone way beyond the purpose for which the budget stabilization fund was created.

Senator Stenehjem: We looked at 1451, as we were making those fund changes, we went from 10% to 9.5% and we can adjust that percentage in the future.

Representative Carlson: There are a lot of reasons to move money. Sometimes you move money so you have more money to spend; and sometimes you move money so you have less money to spend. I think there are some of each of us talking at this table today.

Chairman Holmberg: Call the roll on .02025.

Roll Call Vote: 2-4-0. Motion failed.

Representative Glassheim: In response to Senator Stenehjem's comment that we could adjust the amount, this adjusts the amount from 9.5% down to 9%. This would give you the opportunity to put another \$20M back into the general fund.

Representative Glassheim moved .02024. Second by Senator Taylor.

Representative Delzer: I appreciate what Representative Glassheim has here. In 2001 or 2003 we had to go to the Bank of ND because we did not have a budget stabilization fund. I know it sounds like a lot of money but 10% is still only about 70 days if something happened. All of us certainly hope that the revenues from oil from the robust economy the state of North Dakota is going through continues, but I am real hesitate to lower that amount. We never know what could happen. We have seen it in the past... booms bust in a big hurry. I would much rather be prepared for it.

Chairman Holmberg: Call the roll on .02024.

Roll Call Vote: 2-4-0. Motion failed.

Representative Glassheim: Amendment .02045. I so move. Seconded by Senator Taylor. This also deals with the budget stabilization fund but from a little bit different angle. If we are under the anticipated revenues, the governor gets to make an allotment of 2.5% before we go to the budget stabilization fund. This amendment would allow the governor to postpone any one time expenditure before going to the 2.5% allotment. The theory being if we got a one-time expenditure which we have approved money for before getting into the operating expenses of running the government we could postpone money if we are short which had been appropriated for one-time expenditures.

Representative Delzer: I have a question for council. There are only 1 or 2 budgets that have transferability without going through the emergency commission to get that authority. Wouldn't the governor if he wanted to and had an agency that wanted to go through this process under the current procedure, couldn't they do that?... postpone something and then go in and ask for the authority to move that from one to the other now?

Allen: Under the allotment, if an agency's budget is reduced by \$500,000 whatever they would have the flexibility if they were appropriated a one-time project to not do that project.

Representative Delzer: Would it have to be after the allotment takes place? Because I am talking about before the allotment takes place because they have to go through the process of having a new revenue forecast that shows that we are going to be 5% below what we said before they do the allotment. And then they do the allotment of 2.5% and take the rest out of the budget stabilization fund.

Allen: It is my understanding, if that revenue forecast would show that the revenues are going to be less than anticipated so the total general fund appropriations wouldn't be able to be covered then there would need to be an allotment.

Chairman Holmberg: We are going to vote on it. Any other comments? Call the roll on .02045.

Roll Call Vote on .02045. 3-3-0. It did not pass.

Chairman Holmberg: .02050 by Senator Stenehjem.

Senator Stenehjem: As discussed earlier today, in order to make the property tax investment fund... to the number we have been using that OMB gave us we need to add \$211,264.

Senator Stenehjem: Move amendment #.02050. Seconded by Representative Carlson.

Chairman Holmberg: Call the roll on .02050.

Roll Call Vote: 6-0-0. That motion carried.

Chairman Holmberg: Anything else? We have a few minutes. Allen or Roxanne Woeste are going to go through the sections of the bill for clarifications.

Allen: You went through some of the funding changes on the parking lot, and on Prairie Public. The House also added a number of sections in that amendment that you can address either up or down. If you refer to amendment .0217 on page 2 of the amendment there is a section on IT project planning, an appropriation pilot project for appropriation bills. You could take that as a whole package or go through each one.

Representative Delzer: Section 10 is the IT project planning. We think that agencies if they estimate the cost to be over \$100,000 they should get IT involved as soon as possible and take advantage of the expertise that IT would have.

Representative Delzer: I move that section. Second by Senator Stenehjem.

Chairman Holmberg: the motion is to add section 10 of the amendment into the bill. Call the roll please.

Roll Call Vote: 6-0-0. Motion carried.

Representative Delzer: Section 11, if you remember we did 1350 that mirrored last times budget on the highway patrol. Then they asked for the governor's proposal to be in the form of an amendment. This would pick out 4 bills, one for the Senate and 3 in the House. The House appreciated doing it that way on 1350. When it came to the Senate and we had amended it you did not have the opportunity to use that to its fullest extent.

Representative Delzer: I would move Section 11. Seconded by Representative Carlson.

Chairman Holmberg: That was a close vote in Senate Appropriation Committee when it came to which vehicle we would use. Any further discussion on section 11?

Roll Call Vote on Section 11: 4-2-0. Motion carried.

Representative Delzer: Section 12 is anything that uses a bid. What we are talking about is the Historical Society we ended up with the bids coming in considerably less than what the appropriation plus the local share was. The idea here is to make sure that everybody is aware of the differences if there is a difference. I think it was originally put in to say that OMB would cancel the general fund portion that did not pass the House, but the way it is set up here is any changes would have to come before us which they currently do but it would also bring the information to us to the budget section.

Representative Delzer moves Section 12. Seconded by Representative Carlson.

Representative Carlson: If you have been in construction business, the best jobs to get are for state government because you know exactly what you will get because that is what is appropriated. This bill just addresses if these numbers are less than what they need, if there is additional funds, it goes back.

Chairman Holmberg: This is prospective, not retroactive? Call the roll on Section 12.

Roll Call Vote on Section 12: 6-0-0. Motion passed.

Representative Delzer: Section 13 is a request the any state agency with the exception of Higher Ed shall report to OMB before applying for a grant of \$25,000 or more. The report must include the purpose of the grant, the potential amount of the grant, and any additional employees that may be required for the time period covered by the grant, then there would be a required report. **I move Section 13. Seconded by Representative Carlson.**

Chairman Holmberg: Call the roll on Section 13.

Roll Call Vote on Section 13: 5-1-0. Motion carried.

Representative Delzer: Section 14 is in reference to a bill that was passed by both houses on guns. This would add state hospital as one of the exceptions the same as prisons where people cannot have a gun in the trunk. **I would move Section 14. Seconded by Representative Carlson.**

Roll Call Vote on Section 14: 6-0-0. Motion carried.

Representative Delzer: Section 15 clarifies that anything that comes before the emergency commission if it does not get a positive vote before them it would not go to the budget section. **Representative Delzer moved. Seconded by Representative Carlson.**

Representative Glassheim: I am getting concerned about the consolidation of too much power in very few numbers of legislators' hands during the interim. This seems to be one more step centralizing authority and taking it out of the hands of the legislature as a whole.

Senator Stenehjem: This really doesn't agree with some of your comments there but the fact of the matter is they are required to do that now. It is already there. That's the way it is supposed to be but this says we really mean it.

Chairman Holmberg: Call the roll on Section 15.

Roll Call Vote on Section 15: 4-2-0. Motion carried.

Representative Delzer: Section 16 would add two members from each house to the employee benefits program committee. **I would move Section 16. Seconded by Representative Carlson.**

Chairman Holmberg: Remember we had this discussion the other day and one of the problems with the committee was that it was so small that they would have troubles sometimes getting a quorum.

Roll Call Vote on Section 16: 6-0-0. Motion Passed.

Representative Delzer: Section 17 is a legislative management study of home rule amendments. It says management shall consider studying procedures for proposing, adopting, and implementing changes to county and city home rule charters. An ordinance and resolution adopted under home rule charters. **I would move Section 17. Seconded by Representative Carlson.**

Senator Stenehjem: I would like to have an explanation why we need to do this.

Representative Delzer: There were some topics that came up of how things were done during finance and tax discussions on some of the bills that dealt with home rule. They felt that this should be studied. They asked for it to be brought forward. 1047 might have been conducive to it. And they didn't want to clutter that bill up with this.

Chairman Holmberg: Call the roll on Section 17.

Roll Call Vote on Section 17: 2-4-0. Motion failed.

Representative Delzer: Section 18 is retroactive and I don't know if you need a motion to take it out.

Chairman Holmberg: I believe it is already dead.

Representative Delzer: If when the time comes you make a motion for us to recede from our amendments, it will go away when the House recedes. Section 19 is the emergency clause. I don't want to mess with that. That would change the numbers on the sections. There is going to be an emergency clause somewhere.

Chairman Holmberg: The council knows how to do that.

Allen: Two funding items have not been addressed yet on page 4, signage and the public transportation fund.

Representative Delzer: We need to add that? **I would make a motion that we take the House's position on \$400,000 on the signage. Seconded by Representative Carlson.**

Senator Taylor: Maybe one of the house conferees could talk about what the signage was for, how it came to be in the bill and the reasons to remove it.

Representative Delzer: It did receive a packet of the signage proposal. It has been proposed 2 or 3 times and removed each time. It's normally been a case of priority of how to spend money. It comes out of that fund, the \$2.8M. It's signage all the way around the capitol. I

imagine OMB would have a copy of it. The House's position is that it was not a high enough priority to do.

Senator Stenehjem: Being we have a parking lot project in here, there will be a lot of traffic and constriction. We should wait for that project; signs get run over and misplaced.

Chairman Holmberg: Call the roll on the house position on the removal of the \$400,000 of the signage around the capitol.

Roll Call Vote on the Signage Project: 4-2-0. Motion Carried.

Chairman Holmberg: We thought we had done something on transit. So now the motion is adding \$100,000 to transit.

Representative Carlson made the motion. Seconded by Senator Taylor.

Chairman Holmberg: Discussion. Call the roll on adding the \$100,000 for transit.

Roll Call Vote on adding \$100,000 to the public transit fund: 6-0-0. Motion carried.

Chairman Holmberg: We are dismissed.

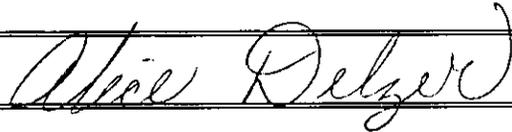
2011 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee
Harvest Room, State Capitol

SB 2015
04-27- 2011 (6:00 PM)
Job # 16925

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A CONFERENCE COMMITTEE ON OMB

Minutes:

MEMBERS PRESENT ARE AS FOLLOWS:

SENATE: Senator Holmberg (Chair), Senator Stenehjem, Senator Taylor
HOUSE: Rep. Carlson, Rep. Delzer, Rep. Glassheim

OMB: Lori Laschkewitsch , Sheila Peterson
LEGISLATIVE COUNCIL: Roxanne Woeste, Allen Knutson

Chairman Holmberg called the Conference Committee to order at 6:00 pm on Wednesday, April 27th in the Harvest Room. All conferees are present.

Chairman Holmberg: We have an amendment that has been passed out. #.02048.

Senator Stenehjem: It's not written exactly right and I think Council needs to look at the verbiage in it but I would at least like to bring the idea before so everyone has at least heard the idea. If you look at the amendment that I passed out it simply says HB 1134 is the bill that deals with TFFR, for those of you that are familiar with that. One of the questions is, the state is making a lot of concessions in this in the amount of money that they are willing to put into this fund to make it more actuarially sound. There are some risks on the states part. One of the risks is if someone starts a class action suit or something goes on and challenges parts of that law and throws it out, and an example would be the employees contributions or the rule of 85 or any other part of that, then the state is on the hook still as our laws currently state that if they challenge a law that's put in, in court and won part of the law is found, it doesn't throw the whole bill as we are passing into legislature out. It just throws that piece of it out. So there is some concern that we have a lot to risk by the amount of money that we are putting into this thing that if somebody challenges this in court and part is found to be unconstitutional or whatever, then the deal we are making on this thing is off.

Senator Taylor: If I hear you right, I don't know if these have been challenged in other states, that if a challenge was made that here we are talking say, 2% employee and 2% employer, you're afraid the employer would be contributing 2%.

Senator Stenehjem: What we are trying to do is bring a fund that's in pretty tough shape, back into an actuarially sound position and if only part of it got stuck down and that amount of money wasn't going into that fund we certainly are not barely helping make that fund any more actuarially sound. I think from the state's end we are giving a whole lot into this situation and in helping to correct that problem we should have at least a little bit of a safeguard that we are not just going to get hooked. The rule of 85, going from 90 to 85 that's also in there.

Senator Taylor: The rule of 85 was maybe the smallest of the concessions so under that scenario if they brought suit on that point, and I don't have the numbers, we would throw out the whole works based on that one point that may have been the very smallest of the 3 components of the contributions and that I think would be problematic.

Representative Delzer: I haven't studied this thoroughly, but I guess just an answer to that, I would say that to me it would be problematic if that was challenged and it went back to rule of 90 and you had the other stuff still in there. This, if you put this on and the whole thing expires then the next legislative session would deal with the whole issue again if they wanted to. Otherwise you might have a harder time getting everybody at the table to try to fix the problem if something happens and only part of it is done.

Chairman Holmberg: You are using the term backwards. Currently the law is the rule of 85 and the bill goes to the rule of 90, but you understand the concept. Any additional questions or comments? This is for information at this point because you haven't seen the final language that has to be finished.

Senator Stenehjem: Part of the reason that I wanted to bring it forth now knowing that it's not done but I don't want to surprise somebody at the last second of the 11th hour and try to throw something in here that nobody has a chance to talk about. At least these groups will be able to talk and that is what brought us to the table in the first place.

Chairman Holmberg: What else do we have?

Representative Carlson: I am wondering about logistically, obviously I'm more concerned about wrapping up the session and where we sit with this. I know that Council has a lot of work to do to put this final bill process together and we've settled most every other budget now except for this one and we've got some to vote on, on the floor so I was hoping we could get the process to the stage where in the morning we were reviewing a package, approving a package and getting that moved to the floor without having to wait for a complete set of redrafts of amendments. Are we at the stage where we can do that? I would hope we could give the Council direction to put this whole package together.

Allen Knutson: That would be the direction we would like to go, to start putting everything together and then we could give you the full set in the morning and you could look it over and a couple of additional items to add, that wouldn't take us as long then.

Representative Carlson: I'm just trying to get the paperwork all done so that tomorrow we can orderly send the bills between the 2 chambers and wrap this up.

Chairman Holmberg: I have an envelope. (amendment # .02041)

Representative Delzer: While your passing that out I would like to ask how long does it take for enrolling after the final adoption?

Allen Knutson: To get it on the floor after here? It shouldn't take too long, about an hour.

Representative Delzer: In other words the computer program is much faster than it was in the past.

Chairman Holmberg: The amendment I passed out that I can't make a motion on but I'm sure there is somebody who will, would reinstate the executive budget line item for Prairie Public Broadcasting back to \$1.337 million. We had a vote earlier, not everyone voted the way they wanted to and therefore we are going to make sure the record is clear that everyone gets to vote twice and one of us gets to vote on both sides. Is there any motion?

Senator Taylor: I'll move .02041.

Seconded by Representative Glassheim.

Senator Taylor: Another chance to reexamine this as an actual amendment and maybe there is one vote that would like to change, I hope there is two, as we look at public broadcasting and the service it provides to the people in North Dakota and I think one of the few line items in the budget that has been static since 2005 without an increase and the service it brings to North Dakota. They don't sell advertising, they are supported in all the states that they operate in, and I believe they deserve our support for the good work they do and the service they provide to even places south of Towner where it's one of the only clear stations we get.

Chairman Holmberg: Call the roll on amendment #.02041

A roll call vote was taken on amendment #.02041. Yea: 4; Nay: 2. Motion failed.

Representative Glassheim: Just for everybody's amusement. I move Amendment .02020

Seconded by Senator Taylor.

Representative Glassheim: I've heard concerns about the Veterans Post War Trust Fund and I don't know how to answer them and I'm not sure they are valid or they are not valid. There are concerns about how the investments are made, who's making them, who's making the decisions, whether the payment is too high or not too high, etc. I'm not sure there is a problem or isn't a problem. I would really like to see a performance audit so that this could all be put to bed if there is nothing there and if there is it be corrected.

Representative Carlson: Allen, if you or OMB could tell me, do we have the practice of like most every other thing we audit every other year? Do we automatically audit our funds or do we not?

Allen Knutson: There is a financial audit of the agencies and then if they receive monies out of a fund that would be included as part of that financial audit.

Representative Carlson: But we never do the funds ourselves?

Allen Knutson: They would be rolled up into the coffer, the statewide financial statement and that is audited, but probably not to the detail this would be. This is a performance audit as well.

Chairman Holmberg: Any further discussion?

Senator Taylor: I like the idea of being clear and drawn out in this amendment. In fact we all know there are questions out there and this is the cleanest way to answer them.

Chairman Holmberg: We have a motion .02020. Call the roll.

A roll call vote was taken on amendment #.02020. Yea: 2; Nay: 4. Motion failed.

Chairman Holmberg: Is there anything more? I think we will look forward to meeting tomorrow after the floor session at 8:00 am.

Representative Carlson: Everything they prepare will already be looked at by us.

Representative Delzer: Any chance of getting that delivered before the floor session?

Allen Knutson: Yes.

Chairman Holmberg: We are adjourned.

2011 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee
Harvest Room, State Capitol

2015
04-28-2011 (10:30 am)
Job # 16928

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A CONFERENCE COMMITTEE ON OMB

Minutes:

You may make reference to "attached testimony."

MEMBERS PRESENT ARE AS FOLLOWS:

SENATE: Senator Holmberg (Chair), Senator Stenehjem, Senator Taylor
HOUSE: Rep. Carlson, Rep. Delzer, Rep. Glassheim

OMB: Lori Laschkewitsch, Pam Sharp
LEGISLATIVE COUNCIL: Brady Larson, Allen Knutson

Chairman Holmberg called the Conference Committee to order at 10:30 am on Thursday, April 28th in the Harvest Room. Let the record show all conferees are present.

Chairman Holmberg: Are there any amendments that committee members have that they want to add to this bill at this time.

Rep. Carlson: House Bill 1268 was passed in the House, defeated in the Senate, there was ? money to deal with Fort Berthold oil distribution, that has a possibly, I am going to propose we add that amendment # .02032 back in. **I move the amendment. Seconded by Rep. Delzer.**

A roll call vote was taken on amendment # .02032. Yea: 4; Nay: 2. Motion failed.

Chairman Holmberg: As you recall yesterday we asked Legislative Council to work so they could have the amendments drafted # .02057. (No action was taken on the amendments). The Council staff put together an overview identifying the heritage of each one of these sections. **Testimony attachment #1. Overview of Senate Bill # 2015 with Conference Committee Amendments.**

Rep. Carlson: We in the House have every intention to finish today.

Chairman Holmberg: We will come back right after floor session this afternoon. We stand in recess.

2011 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee
Harvest Room, State Capitol

SB 2015
04-28-2011 (1:30 pm)
Job # 16930

Conference Committee

Committee Clerk Signature

A. Bittman

Alise Delzer

Explanation or reason for introduction of bill/resolution:

A CONFERENCE COMMITTEE ON OMB (DO PASS AS AMENDED)

Minutes:

MEMBERS PRESENT ARE AS FOLLOWS:

SENATE: Senator Holmberg (Chair), Senator Stenehjem, Senator Taylor
HOUSE: Rep. Carlson, Rep. Delzer, Rep. Glasheim

OMB: Lori Laschkewitsch, Pam Sharp
LEGISLATIVE COUNCIL: Brady Larson, Allen Knutson

Chairman Holmberg called the Conference Committee to order at 1:30 pm on Thursday, April 28th in the Harvest Room. Let the record show all conferees are present.

Chairman Holmberg: Are there any further changes that the committee should have at this final meeting?

Senator Taylor: I have one more I want to try. (Amendment # 02060 regarding Prairie Public) I will move .02060.

Seconded by **Representative Glasheim**.

Roll call vote was taken on amendment # .02060. (4-2-0) Motion failed.

Chairman Holmberg: Senator Stenehjem is going to move amendment .02051.

Seconded by **Representative Carlson**.

Senator Stenehjem: This just simply says they need to come in and inform the Emergency Commission in the budget section where these grants are proposed to go.

Senator Taylor: I think there is \$750,000 in tourism grants. In my mind, the folks who live and breathe tourism and work with tourism on a daily basis and know where North Dakota's needs are and where we can increase tourism ought to be the ones that approve and decide upon where these grants go as they are applied for. I think adding the Emergency Commission in the budget section politicizes tourism. I don't know that it adds anything in terms of improving tourism in North Dakota. I would rather leave it in the hands of the professionals.

Chairman Holmberg: Any additional comments? Call the roll on .02051. Motion carried.

Representative Carlson: We are at the point and time where it is balance the books time. We need to make sure that we move the right amount of money in the right place for some of the projects that have been funded and dealing with our ending fund balance so there needs to be an amendment. Right now there is \$239 million in the budget from the land and minerals trust fund. That number needs to change to \$305 million from the strategic investment fund and that makes up \$10 million for scholarship money, its \$36 million of oil money that has been moved into the fund and then \$20 million will be moved over to the ending fund balance giving us an ending fund balance of about \$51 million.

Allen Knutson: If you look on page 2 of amend .02057 it references the \$239 million and we've made those adjustments changing lands and minerals trust to strategic investment and improvements and then in the amendment it had that blank in there that we needed the amount to add in and that is where the \$305 million will go in.

Seconded by **Senator Stenehjem**.

Chairman Holmberg: Call the roll for .02057. Motion carried.

Chairman Holmberg closed the hearing on 2015.

PROPOSED AMENDMENT TO ENGROSSED SENATE BILL NO. 2015

Page 1, line 3, after "transfers;" insert "to create and enact a new section to House Bill No. 1185, as approved by the sixty-second legislative assembly; and "

Page 6, after line 25, insert:

"SECTION 20. A new section to House Bill No. 1185, as approved by the sixty-second legislative assembly, is created and enacted as follows:

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

Re-number accordingly

2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Appropriations

Bill/Resolution No. 2015 as (re) engrossed

Date: 4-26-11

Roll Call Vote #: 1

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

Senate/House Amendments on SJ/HJ page(s) proposed amendment
Amend Carlson's

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

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

Motion Made by: Carlson Seconded by: none

Senators	Yes	No	Representatives	Yes	No
Senator Holmberg	✓		Rep. Carlson	✓	
Senator Stenehjerm	✓		Rep. Delzer	✓	
Senator Taylor	✓		Rep. Glassheim	✓	

Vote Count: Yes 6 No 0 Absent _____

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment adding emergency measure (clause)

April 22, 2011

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1496-1501 of the Senate Journal and pages 1781-1785 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 3, remove "and"

Page 1, line 3, after "intent" insert "; and to create and enact a new subdivision to subsection 1 of section 54-10-14 of the North Dakota Century Code, relating to entities required to be audited by the state auditor"

Page 3, after line 30, insert:

"SECTION 10. A new subdivision to subsection 1 of section 54-10-14 of the North Dakota Century Code as amended by section 1 of House Bill No. 1145, as approved by the sixty-second legislative assembly, is created and enacted as follows:

Housing authorities not required to be audited by the federal department of housing and urban development."

Renumber accordingly

2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Appropriations

Bill/Resolution No. 2015 as (re) engrossed

Date: 4-26-11

Roll Call Vote #: 2 02029

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

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

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

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

Motion Made by: Stenehjem Seconded by: Glassheim

Senators				Yes	No	Representatives				Yes	No
Senator Holmberg				✓		Rep. Carlson				✓	
Senator Stenehjem				✓		Rep. Delzer				✓	
Senator Taylor				✓		Rep. Glassheim				✓	

Vote Count: Yes 6 No 0 Absent _____

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1496-1501 of the Senate Journal and pages 1781-1785 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 3, remove "and"

Page 1, line 3, after "intent" insert "; and to declare an emergency"

Page 3, after line 30, insert:

"**SECTION 10.** A new section to Senate Bill No. 2083, as approved by the sixty-second legislative assembly, is created and enacted as follows:

SECTION 2. EMERGENCY. This Act is declared to be an emergency measure.

SECTION 11. EMERGENCY. Section 10 of this Act is declared to be an emergency measure."

Renumber accordingly

2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Appropriations

Bill/Resolution No. 2015 as (re) engrossed

Date: 4-26-11

Roll Call Vote #: 4

*Pam Sharp amend:
.02040*

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

2083 emerg. clause

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

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

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

Motion Made by: Carlson Seconded by: Stenehjem

Senators	Yes	No		Representatives	Yes	No
Senator Holmberg	✓			Rep. Carlson	✓	
Senator Stenehjem	✓			Rep. Delzer	✓	
Senator Taylor	✓			Rep. Glassheim	✓	

Vote Count: Yes 6 No 0 Absent _____

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

April 18, 2011

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

Page 1, line 3, after the second semicolon insert "to provide for legislative management reports;"

Page 3, replace lines 18 through 30 with:

"SECTION 9. STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES. It is the intent of the sixty-second legislative assembly that 2011-13 biennium compensation adjustments for regular nonclassified state employees are to be based on documented performance and equity and are not to be the same percentage increase for each employee. Compensation adjustments for the 2011-13 biennium for regular classified state employees are to be based on guidelines developed by the office of management and budget in accordance with section 10 of this Act.

General increases based on legislative appropriations are to be given beginning with the month of July 2011, to be paid in August 2011, and beginning with the month of July 2012, to be paid in August 2012. Each agency appropriation is increased by three percent for the first year of the 2011-13 biennium and three percent for the second year of the 2011-13 biennium. Employees whose overall documented performance level does not meet standards are not eligible for any salary increase.

Probationary employees are not entitled to the general 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.

SECTION 10. EXTERNAL COMPETITIVENESS TARGET - CLASSIFIED STATE EMPLOYEE COMPENSATION ADJUSTMENT GUIDELINES - 2011-13 BIENNIUM. The office of management and budget shall set the external competitiveness target for the classified state employee compensation system based on the funding provided by the sixty-second legislative assembly for classified state employee compensation, for the biennium beginning July 1, 2011, and ending June 30, 2013. The office of management and budget shall develop guidelines for use by state agencies for providing compensation adjustments for regular classified state employees, for the biennium beginning July 1, 2011, and ending June 30, 2013. The guidelines must be developed in accordance with the compensation philosophy statement and compensation system initiatives included in House Bill No. 1031, as approved by the sixty-second legislative assembly, and the external competitiveness target as determined by the office of management and budget.

SECTION 11. OFFICE OF MANAGEMENT AND BUDGET - REPORTS TO LEGISLATIVE MANAGEMENT - STATE EMPLOYEE COMPENSATION SYSTEM CHANGES. The office of management and budget shall provide periodic reports to the legislative management during the 2011-12 interim on the status of implementation and administration of the compensation philosophy statement and compensation system initiatives included in House Bill No. 1031, as approved by the sixty-second legislative assembly."

Renumber accordingly

2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Appropriations

Bill/Resolution No. 2015 as (re) engrossed

Date: 4-26-11

Roll Call Vote #: 1

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

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

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

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

Motion Made by: Carlson Seconded by: Delzer

Senators	Yes	No		Representatives	Yes	No
Senator Holmberg	✓			Rep. Carlson	✓	
Senator Stenehjem	✓			Rep. Delzer	✓	
Senator Taylor	✓			Rep. Glassheim		✓

Vote Count: Yes 5 No 1 Absent _____

Senate Carrier _____ House Carrier 1

LC Number 11-81-38-02019 of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

April 22, 2011

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1496-1501 of the Senate Journal and pages 1781-1785 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 3, replace "and" with "to authorize the department of transportation to obtain additional office space for use as a motor vehicle branch office; to amend and reenact section 39-02-03 of the North Dakota Century Code, relating to the powers and duties of the director of the department of transportation;"

Page 1, line 3, after "intent" insert "; and to declare an emergency"

Page 3, after line 30, insert:

"SECTION 10. DEPARTMENT OF TRANSPORTATION MOTOR VEHICLE BRANCH OFFICE AUTHORIZATION. Notwithstanding any other provision of law, the department of transportation is authorized to design and procure or construct additional office space, including modular buildings or onsite construction, for use as a motor vehicle branch office, for the period beginning with the effective date of this Act and ending June 30, 2011.

SECTION 11. AMENDMENT. Section 39-02-03 of the North Dakota Century Code is amended and reenacted as follows:

39-02-03. Powers and duties of director and department.

The director, subject to the approval of the governor, may adopt and enforce such administrative rules and designate such agencies and establish such branch offices as may be necessary to carry out the laws applicable to the director's office and department. The director shall provide suitable forms for applications, registration cards, license number plates, and all other forms requisite for the operation of the director's office and department, and shall prepay all transportation charges thereon. In addition, the director shall provide for a uniform maximum fee schedule for the various services provided by the branch offices. Any branch office may establish a different fee schedule if the schedule does not contain a fee that exceeds a maximum fee established by the director and is approved by the director. All branch office managers must be bonded. The department may lease or provide office space or other overhead costs as necessary to independent motor vehicle branch managers. All rents collected under this section must be deposited in the state highway fund. The department and the officers thereof shall enforce the provisions of all laws pertaining to the director and the department.

SECTION 12. EMERGENCY. Sections 10 and 11 of this Act are declared to be an emergency measure."

Renumber accordingly

Amendments hold.

April 22, 2011

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1496-1501 of the Senate Journal and pages 1781-1785 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 3, replace "and" with "to authorize the department of transportation to obtain additional office space for use as a motor vehicle branch office; to amend and reenact section 39-02-03 of the North Dakota Century Code, relating to the powers and duties of the director of the department of transportation;"

Page 1, line 3, after "intent" insert "; and to declare an emergency"

Page 3, after line 30, insert:

"SECTION 10. DEPARTMENT OF TRANSPORTATION MOTOR VEHICLE BRANCH OFFICE AUTHORIZATION. Notwithstanding any other provision of law, the department of transportation is authorized to design and procure or construct additional office space, including modular buildings or onsite construction, for use as a motor vehicle branch office, for the period beginning with the effective date of this Act and ending June 30, 2044. *2013*

SECTION 11. AMENDMENT. Section 39-02-03 of the North Dakota Century Code is amended and reenacted as follows:

39-02-03. Powers and duties of director and department.

The director, subject to the approval of the governor, may adopt and enforce such administrative rules and designate such agencies and establish such branch offices as may be necessary to carry out the laws applicable to the director's office and department. The director shall provide suitable forms for applications, registration cards, license number plates, and all other forms requisite for the operation of the director's office and department, and shall prepay all transportation charges thereon. In addition, the director shall provide for a uniform maximum fee schedule for the various services provided by the branch offices. Any branch office may establish a different fee schedule if the schedule does not contain a fee that exceeds a maximum fee established by the director and is approved by the director. All branch office managers must be bonded. The department may lease or provide office space or other overhead costs as necessary to independent motor vehicle branch managers. All rents collected under this section must be deposited in the state highway fund. The department and the officers thereof shall enforce the provisions of all laws pertaining to the director and the department.

SECTION 12. EMERGENCY. Sections 10 and 11 of this Act are declared to be an emergency measure."

Renumber accordingly

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1496-1501 of the Senate Journal and pages 1781-1785 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 2, after the semicolon insert "to provide an appropriation to the department of human services;"

Page 3, after line 30, insert:

"SECTION 10. 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 \$1,474,362, or so much of the sum as may be necessary, to the department of human services for the purpose of completing the medicaid management information system replacement project, for the biennium beginning July 1, 2011, and ending June 30, 2013. This funding is considered to be one-time funding for the 2011-13 biennium and is not to be part of the department's base budget for the 2013-15 biennium. The department shall report to the appropriations committees of the sixty-third legislative assembly on the use of this one-time funding."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2015 - Summary of Conference Committee Action

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Office of Management and Budget						
Total all funds	\$42,965,298	\$44,465,298	\$0	\$44,465,298	\$42,828,160	\$1,637,138
Less estimated income	10,914,461	10,914,461	0	10,914,461	10,514,461	400,000
General fund	\$32,050,837	\$33,550,837	\$0	\$33,550,837	\$32,313,699	\$1,237,138
Department of Human Services						
Total all funds	\$0	\$0	\$1,474,362	\$1,474,362	\$0	\$1,474,362
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$1,474,362	\$1,474,362	\$0	\$1,474,362
Bill total						
Total all funds	\$42,965,298	\$44,465,298	\$1,474,362	\$45,939,660	\$42,828,160	\$3,111,500
Less estimated income	10,914,461	10,914,461	0	10,914,461	10,514,461	400,000
General fund	\$32,050,837	\$33,550,837	\$1,474,362	\$35,025,199	\$32,313,699	\$2,711,500

Senate Bill No. 2015 - Department of Human Services - Conference Committee Action

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Operating expenses			\$1,474,362	\$1,474,362		\$1,474,362
Total all funds	\$0	\$0	\$1,474,362	\$1,474,362	\$0	\$1,474,362

Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$1,474,362	\$1,474,362	\$0	\$1,474,362
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department No. 325 - Department of Human Services - Detail of Conference Committee Changes

	Provides Funding for MMIS Project ¹	Total Conference Committee Changes
Operating expenses	\$1,474,362	\$1,474,362
Total all funds	\$1,474,362	\$1,474,362
Less estimated income	0	0
General fund	\$1,474,362	\$1,474,362
FTE	0.00	0.00

¹ Funding is provided for the completion of the Department of Human Services' Medicaid management information system (MMIS) project. This funding was originally appropriated from the permanent oil tax trust fund. Due to the elimination of the permanent oil tax trust fund in House Bill No. 1451, funding is changed to the general fund.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1496-1501 of the Senate Journal and pages 1781-1785 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 3, remove "and"

Page 1, line 3, after "intent" insert "; and to amend and reenact sections 1 and 8 of House Bill No. 1014, as approved by the sixty-second legislative assembly, relating to the appropriation for the industrial commission"

Page 3, after line 30, insert:

"SECTION 10. AMENDMENT. Section 1 of House Bill No. 1014, as approved by the sixty-second 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 state industrial commission and agencies under its control for the purpose of defraying the expenses of the state industrial commission and agencies under its control, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

Subdivision 1.

	INDUSTRIAL COMMISSION		
	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$9,321,995	\$2,889,625	\$12,211,620
Operating expenses	2,646,426	847,318	3,493,744
Capital assets	49,000	(49,000)	0
Grants - Lignite research and development	19,971,300	0	19,971,300
Grants - Bond payments	27,441,865	(2,052,132)	25,389,733
Mineral resources contingency	0	743,972	743,972
Carbon dioxide storage facility administrative fund	0	532,000	532,000
Renewable energy development	0	1,500,000	1,500,000
Total all funds	\$59,430,586	\$4,411,783	\$63,842,369
Less estimated income	49,308,484	(1,797,756)	47,510,728
Total general fund	\$10,122,102	\$6,209,539	\$16,331,641
Less estimated income	49,308,484	(2,541,728)	46,766,756
Total general fund	\$10,122,102	\$6,953,511	\$17,075,613
Full-time equivalent positions	61.06	13.00	74.06

Subdivision 2.

	BANK OF NORTH DAKOTA - OPERATIONS		
	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Bank of North Dakota operations	\$41,762,274	\$3,824,881	\$45,587,155

Capital assets	<u>1,455,000</u>	<u>(189,000)</u>	<u>1,266,000</u>
Total special funds	\$43,217,274	\$3,635,881	\$46,853,155
Full-time equivalent positions	176.50	0.00	176.50

Subdivision 3.

BANK OF NORTH DAKOTA - ECONOMIC DEVELOPMENT

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Partnership in assisting community expansion fund	\$8,000,000	(\$2,000,000)	\$6,000,000
Agriculture partnership in assisting community expansion fund	1,400,000	(400,000)	1,000,000
Beginning farmer revolving loan fund	950,000	450,000	1,400,000
Biofuels partnership in assisting community expansion fund	<u>0</u>	<u>1,000,000</u>	<u>1,000,000</u>
Total all funds	\$10,350,000	(\$950,000)	\$9,400,000
Less beginning farmer revolving loan fund	<u>950,000</u>	<u>(950,000)</u>	<u>0</u>
Total general fund	\$9,400,000	\$0	\$9,400,000

Subdivision 4.

MILL AND ELEVATOR ASSOCIATION

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$22,599,324	\$3,418,684	\$26,018,008
Operating expenses	16,982,918	3,460,951	20,443,869
Contingencies	325,000	75,000	400,000
Agriculture promotion	<u>150,000</u>	<u>60,000</u>	<u>210,000</u>
Total from mill and elevator fund	\$40,057,242	\$7,014,635	\$47,071,877
Full-time equivalent positions	131.00	0.00	131.00

Subdivision 5.

HOUSING FINANCE AGENCY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$5,981,828	\$534,449	\$6,516,277
Operating expenses	8,677,581	(3,562,732)	5,114,849
Grants	26,224,360	634,560	26,858,920
Housing finance agency contingencies	<u>100,000</u>	<u>0</u>	<u>100,000</u>
Total special funds	\$40,983,769	(\$2,393,723)	\$38,590,046
Full-time equivalent positions	46.00	0.00	46.00

Subdivision 6.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$19,522,102	\$6,209,539	\$25,731,641
Grand total special funds	174,516,769	5,509,037	180,025,806
Grand total general fund	\$19,522,102	\$6,953,511	\$26,475,613
Grand total special funds	174,516,769	4,765,065	179,281,834
Grand total all funds	\$194,038,871	\$11,718,576	\$205,757,447

SECTION 11. AMENDMENT. Section 8 of House Bill No. 1014, as approved by the sixty-second legislative assembly, is amended and reenacted as follows:

**SECTION 8. CONTINGENT DEPARTMENT OF MINERAL RESOURCES
FUNDING - PERMANENT OIL TAX TRUST FUND - EMERGENCY COMMISSION
APPROVAL.** Of the funds appropriated in the mineral resources contingency line item in subdivision 1 of section 1 of this Act, \$743,972 is from the ~~permanent-oil-tax trust~~general fund. If funds are required due to the drilling rig count exceeding one hundred eighty for at least thirty consecutive days, the oil and gas division may spend up to \$192,393 of these funds and hire one full-time equivalent position, upon emergency commission approval, and further if funds are required due to the drilling rig count exceeding one hundred ninety for at least thirty consecutive days, the oil and gas division may spend up to an additional \$192,393 of these funds and hire one full-time equivalent position, upon emergency commission approval. If funds are required due to the total number of oil wells in the state exceeding nine thousand three hundred, the oil and gas division may spend up to \$359,186 and hire two full-time equivalent positions, upon emergency commission approval."

Renumber accordingly

2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Appropriations

Bill/Resolution No. 2015 as (re) engrossed

Date: 4.27.11

Roll Call Vote #: 3

2034

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

Senate/House Amendments on SJ/HJ page(s) ..

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

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

Motion Made by: Carlson Seconded by: Delzer

Senators				Yes	No	Representatives				Yes	No
Senator Holmberg				✓		Rep. Carlson				✓	
Senator Stenehjem				✓		Rep. Delzer				✓	
Senator Taylor				✓		Rep. Glassheim				✓	

Vote Count: Yes 6 No _____ Absent _____

Senate Carrier _____ House Carrier _____

LC Number 11. 8138-02034 . _____ of amendment

LC Number _____ . _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1496-1501 of the Senate Journal and pages 1781-1785 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 3, remove "and"

Page 1, line 3, after "intent" insert "; and to amend and reenact sections 1 and 8 of House Bill No. 1020, as approved by the sixty-second legislative assembly, relating to the appropriation for branch research centers and agronomy seed farm"

Page 3, after line 30, insert:

"SECTION 10. AMENDMENT. Section 1 of House Bill No. 1020, as approved by the sixty-second 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 North Dakota state university extension service, the northern crops institute, the upper great plains transportation institute, the main research center, branch research centers, and agronomy seed farm for the purpose of defraying the expenses of the North Dakota state university extension service, the northern crops institute, the upper great plains transportation institute, the main research center, branch research centers, and agronomy seed farm, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

Subdivision 1.

NORTH DAKOTA STATE UNIVERSITY EXTENSION SERVICE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Extension service	\$47,091,489	(\$64,835)	\$47,026,654
Soil conservation committee	<u>837,800</u>	<u>150,000</u>	<u>987,800</u>
Total all funds	\$47,929,289	\$85,165	\$48,014,454
Less estimated income	<u>25,928,877</u>	<u>(2,800,067)</u>	<u>23,128,810</u>
Total general fund	\$22,000,412	\$2,885,232	\$24,885,644
Full-time equivalent positions	255.75	1.00	256.75

Subdivision 2.

NORTHERN CROPS INSTITUTE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Total all funds	\$3,037,486	\$309,821	\$3,347,307
Less estimated income	<u>1,598,265</u>	<u>56,460</u>	<u>1,654,725</u>
Total general fund	\$1,439,221	\$253,361	\$1,692,582
Full-time equivalent positions	11.00	0.00	11.00

Subdivision 3.

UPPER GREAT PLAINS TRANSPORTATION INSTITUTE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Total all funds	\$23,326,992	\$742,969	\$24,069,961
Less estimated income	<u>21,737,199</u>	<u>413,134</u>	<u>22,150,333</u>
Total general fund	\$1,589,793	\$329,835	\$1,919,628
Full-time equivalent positions	52.30	0.00	52.30

Subdivision 4.

MAIN RESEARCH CENTER

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Main research center	\$87,530,418	\$11,059,555	\$98,589,973
Deferred maintenance	0	0	0
Grape and wine program committee	0	0	0
Federal fiscal stimulus 2009	<u>0</u>	<u>0</u>	<u>0</u>
Total all funds	\$87,530,418	\$11,059,555	\$98,589,973
Less estimated income	<u>45,013,267</u>	<u>(879,692)</u>	<u>44,133,575</u>
Total general fund	\$42,517,151	\$11,939,247	\$54,456,398
Full-time equivalent positions	329.26	4.00	333.26

Subdivision 5.

RESEARCH CENTERS

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Dickinson research center	\$5,012,580	\$1,375,982	\$6,388,562
Central grasslands research center	2,560,602	305,245	2,865,847
Hettinger research center	2,995,155	378,020	3,373,175
Langdon research center	2,091,572	287,235	2,378,807
North central research center	3,973,952	425,869	4,399,821
Williston research center	2,922,183	487,906	3,410,089
Carrington research center	<u>6,727,962</u>	<u>398,526</u>	<u>7,126,488</u>
Total all funds	\$26,284,006	\$3,658,783	\$29,942,789
Less estimated income	<u>13,916,816</u>	<u>1,880,765</u>	<u>15,797,581</u>
Total general fund	\$12,367,190	\$1,778,018	\$14,145,208
Less estimated income	<u>13,916,816</u>	<u>1,080,765</u>	<u>14,997,581</u>
Total general fund	\$12,367,190	\$2,578,018	\$14,945,208
Full-time equivalent positions	95.49	2.00	97.49

Subdivision 6.

AGRONOMY SEED FARM

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Agronomy seed farm	\$1,275,238	\$159,930	\$1,435,168
Total special funds	\$1,275,238	\$159,930	\$1,435,168
Full-time equivalent positions	3.00	0.00	3.00

Subdivision 7.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$79,913,767	\$17,185,693	\$97,099,460
Grand total special funds	<u>109,469,662</u>	<u>(1,169,470)</u>	<u>108,300,192</u>
Grand total general fund	\$79,913,767	\$17,985,693	\$97,899,460

<u>Grand total special funds</u>	<u>109,469,662</u>	<u>(1,969,470)</u>	<u>107,500,192</u>
Grand total all funds	\$189,383,429	\$16,016,223	\$205,399,652

SECTION 11. AMENDMENT. Section 8 of House Bill No. 1020, as approved by the sixty-second legislative assembly, is amended and reenacted as follows:

SECTION 8. ~~PERMANENT OIL TAX TRUST FUND~~ - DICKINSON RESEARCH CENTER - OPERATING POOL FUNDING. The ~~estimated income~~general fund line item in subdivision 5 of section 1 of this Act includes \$800,000 ~~from the permanent oil tax trust fund. This~~of operating pool funding is available only for defraying the costs of operations of the Dickinson research center, for the biennium beginning July 1, 2011, and ending June 30, 2013."

Renumber accordingly

2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Appropriations

Bill/Resolution No. 2015 as (re) engrossed

Date: 4-27-11

Roll Call Vote #: 4

02035

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

Senate/House Amendments on SJ/HJ page(s) ..

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

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

Motion Made by: Carlson Seconded by: Taylor

Senators				Yes	No		Representatives				Yes	No
Senator Holmberg				✓			Rep. Carlson				✓	
Senator Stenehjem				✓			Rep. Delzer				✓	
Senator Taylor				✓			Rep. Glassheim				✓	

Vote Count: Yes 6 No 0 Absent _____

Senate Carrier _____ House Carrier _____

LC Number 11.8138.02035 of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

Page 1, line 3, after the second semicolon insert "to amend and reenact subsection 2 of section 57-51-15 and subsection 5 of section 57-51.2-02 of the North Dakota Century Code, relating to allocation between counties and the state general fund of oil and gas gross production tax revenues from production within the Fort Berthold Reservation;"

Page 3, after line 17, insert:

"SECTION 9. AMENDMENT. Subsection 2 of section 57-51-15 of the North Dakota Century Code is amended and reenacted as follows:

2. a. After deduction of the amount provided in subsection 1, annual revenue collected under this chapter from oil and gas produced in each county must be allocated as follows:
 - a- (1) The first two million dollars must be allocated to the county.
 - b- (2) The next one million dollars must be allocated seventy-five percent to the county and twenty-five percent to the state general fund.
 - e- (3) The next one million dollars must be allocated fifty percent to the county and fifty percent to the state general fund.
 - d- (4) The next fourteen million dollars must be allocated twenty-five percent to the county and seventy-five percent to the state general fund.
 - e- (5) All annual revenue remaining after the allocation in ~~subdivision e~~ paragraph 4 must be allocated ten percent to the county and ninety percent to the state general fund.
- b. For taxes under this chapter imposed on oil and gas production within the Fort Berthold Reservation, the allocation to the county as determined under this subsection must be based on the entire amount of state and tribal taxes collected on that production, the allocation to the state general fund must be reduced accordingly, and the allocation to the Three Affiliated Tribes of the Fort Berthold Reservation must be as determined under the agreements entered under chapter 57-51.2 without any reduction under this subsection.

SECTION 10. AMENDMENT. Subsection 5 of section 57-51.2-02 of the North Dakota Century Code is amended and reenacted as follows:

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 attributable to nontrust lands on the Fort Berthold Reservation 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."

Renumber accordingly

April 21, 2011

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1496-1501 of the Senate Journal and pages 1781-1785 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 3, remove "and"

Page 1, line 3, after "intent" insert "; and to amend and reenact subsection 6 of section 3 of House Bill No.1418 as approved by the sixty-second legislative assembly, relating to audits of pharmacy records"

Page 3, after line 30, insert:

"SECTION 10. If House Bill No. 1418 as approved by the sixty-second legislative assembly becomes effective, subsection 6 of section 3 of House Bill No. 1418 is amended and reenacted as follows:

6. Any ~~and~~ required by the the third-party payer contract, an auditing entity shall provide a copy of the final report to the plan sponsor for which claims were included in the audit. ~~Any and any~~ funds recouped must be returned to the plan sponsor."

Renumber accordingly

2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Appropriations

Bill/Resolution No. 2015 as (re) engrossed

Date: 4-27-11

Roll Call Vote #: 1

*(change to \$800,000)
add \$300,000
to finish
parking lot*

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

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

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

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

Motion Made by: Stenehjem Seconded by: Taylor

Senators				Yes	No		Representatives			Yes	No
Senator Holmberg	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>			Rep. Carlson	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Senator Stenehjem	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>			Rep. Delzer	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>
Senator Taylor	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>			Rep. Glassheim	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	

Vote Count: Yes 5 No 1 Absent _____

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Appropriations

Bill/Resolution No. 2015 as (re) engrossed

Date: 4-27-11

Roll Call Vote #: 2

restore an \$300,000 to transit

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

Senate/House Amendments on SJ/HJ page(s) _____

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

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

Motion Made by: Rep. Glassheim Seconded by: Sen Taylor

Senators				Yes	No	Representatives				Yes	No
Senator Holmberg					✓	Rep. Carlson					✓
Senator Stenehjem					✓	Rep. Delzer					✓
Senator Taylor				✓		Rep. Glassheim			✓		✓

Vote Count: Yes 2 No 4 Absent _____

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Failed

2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Appropriations

Bill/Resolution No. 2015 as (re) engrossed

Date: 4-27-11

Roll Call Vote #: 3

House changes unchanged (take House position)

Action Taken

- SENATE accede to House amendments
- SENATE accede to House amendments and further amend
- HOUSE recede from House amendments
- HOUSE recede from House amendments and amend as follows

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

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

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

Motion Made by: Rep. Delzer Seconded by: Rep. Carlson

Senators											Yes	No
Senator Holmberg											✓	
Senator Stenehjem											✓	
Senator Taylor												✓

Vote Count: Yes 4 No 2 Absent _____

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

April 21, 2011

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1496-1501 of the Senate Journal and pages 1781-1785 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 2, after "budget" insert "; to provide an appropriation to the state board of higher education"

Page 2, after line 21, insert:

"SECTION 3. APPROPRIATION - STATE BOARD OF HIGHER EDUCATION.

There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$150,000, or so much of the sum as may be necessary, to the state board of higher education for the purpose of supporting educational leadership programs at the university of North Dakota and North Dakota state university, for the biennium beginning July 1, 2011, and ending June 30, 2013. "

Renumber accordingly

2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Appropriations

Bill/Resolution No. 2015 as (re) engrossed

Date: 4.27.11

Roll Call Vote #: 1

02023

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

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

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

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

Motion Made by: Stenehjem Seconded by: Taylor

Senators										Representatives						Yes	No
Senator Holmberg	<i>4pm</i>									Rep. Carlson	<i>4pm</i>						
Senator Stenehjem										Rep. Delzer							
Senator Taylor										Rep. Glassheim							

Vote Count: Yes 5 No 1 Absent 0

Senate Carrier _____ House Carrier _____

LC Number 11.8138 . 02023 of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Motion approved

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1496-1501 of the Senate Journal and pages 1781-1785 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 3, after line 30, insert:

"SECTION 10. ADDITIONAL LODGING REIMBURSEMENT FOR THE 2011 LEGISLATIVE ASSEMBLY. Notwithstanding the per calendar month lodging maximum provided in section 54-03-20 for members of the legislative assembly during a legislative session, a member of the sixty-second legislative assembly is entitled to lodging reimbursement as provided in section 44-08-04 for state officers and employees for each calendar day in an amount not to exceed \$1,229 per month for each month the sixty-second legislative assembly is in session during the months of January 2011 through April 2011 if the member submits a voucher indicating the actual amount expended for lodging during each month."

Re-number accordingly

2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Appropriations

Bill/Resolution No. 2015 as (re) engrossed

Date: 4-27-11

Roll Call Vote #: 2 .02047

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

Senate/House Amendments on SJ/HJ page(s) ..

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

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

Motion Made by: Carlson Seconded by: Delzer

Senators	Yes	No			Representatives	Yes	No
Senator Holmberg		✓			Rep. Carlson	✓	
Senator Stenehjem		✓			Rep. Delzer	✓	
Senator Taylor		✓			Rep. Glasheim		✓

Vote Count: Yes 2 No 4 Absent 0

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Motion fails

Statement of purpose of amendment

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1496-1501 of the Senate Journal and pages 1781-1785 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 3, remove "and"

Page 1, line 3, after "intent" insert "; and to amend and reenact subdivision a of subsection 2 of section 54-03-20 of the North Dakota Century Code, relating to housing reimbursement for members of the legislative assembly"

Page 3, after line 30, insert:

"SECTION 10. AMENDMENT. Subdivision a of subsection 2 of section 54-03-20 of the North Dakota Century Code is amended and reenacted as follows:

- a. Each member of the legislative assembly is entitled to receive reimbursement for lodging, which may not exceed per calendar month the amount established under this subdivision by the director of the office of management and budget for lodging in state and which may not exceed the rate provided in section 44-08-04 for each calendar day during the period of any organizational, special, or regular session. On August first of each even-numbered year, the director of the office of management and budget shall set the maximum monthly reimbursement for the subsequent two-year period at an amount equal to thirty times ~~forty-five~~sixty-five percent of the daily lodging reimbursement in effect on that date as provided under subdivision d of subsection 2 of section 44-08-04."

Renumber accordingly

2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Appropriations

Bill/Resolution No. 2015 as (re) engrossed

Date: 4-27-11

Roll Call Vote #: 3

02046

Action Taken

- SENATE accede to House amendments
- SENATE accede to House amendments and further amend
- HOUSE recede from House amendments
- HOUSE recede from House amendments and amend as follows

Senate/House Amendments on SJ/HJ page(s) ..

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

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

Motion Made by: Stenehjem Seconded by: Glassheim

Senators				Representatives			
		Yes	No			Yes	No
Senator Holmberg		✓		Rep. Carlson		✓	
Senator Stenehjem		✓		Rep. Delzer		✓	
Senator Taylor		✓		Rep. Glassheim		✓	

Vote Count: Yes 6 No 0 Absent 0

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Motion carried

April 25, 2011

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1496-1501 of the Senate Journal and pages 1781-1785 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 3, remove "and"

Page 1, line 3, after "intent" insert "; to provide an effective date; and to declare an emergency"

Page 2, after line 21, insert:

"SECTION 3. STATE TREASURER CONTINGENT TRANSFER - DICKINSON STATE UNIVERSITY APPROPRIATION. Notwithstanding any other provision of law, the state treasurer shall transfer the sum of \$10,560,000 from the permanent oil tax trust fund to Dickinson state university by June 30, 2011, if the office of management and budget determines the state share of oil and gas tax revenue received under chapters 57-51 and 57-51.1 exceeds February 2011 revised revenue estimates for the 2009-11 biennium by at least \$11,000,000. Any funds transferred to Dickinson state university are appropriated to Dickinson state university for the Theodore Roosevelt presidential resource center for the period beginning with the effective date of this Act and ending June 30, 2013."

Page 3, after line 30, insert:

"SECTION 11. EFFECTIVE DATE. Section 3 of this Act is effective immediately upon the filing of this Act with the secretary of state.

SECTION 12. EMERGENCY. Section 3 of this Act is declared to be an emergency measure."

Re-number accordingly

2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Appropriations

Bill/Resolution No. 2015 as (re) engrossed

Date: 4-27-11

Roll Call Vote #: 4

.02037

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

Senate/House Amendments on SJ/HJ page(s) ..

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

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

Motion Made by: Carlson Seconded by: Taylor

Senators				Yes	No	Representatives				Yes	No	
Senator Holmberg					✓	Rep. Carlson					✓	
Senator Stenehjem					✓	Rep. Delzer					✓	
Senator Taylor				✓		Rep. Glassheim					✓	

Vote Count: Yes 3 No 3 Absent _____

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Motion fails

Statement of purpose of amendment

April 26, 2011

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1496-1501 of the Senate Journal and pages 1781-1785 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 3, after line 30, insert:

"SECTION 10. APPROPRIATION - STATE DEPARTMENT OF HEALTH. There is appropriated from federal funds made available to the state under the Patient Protection and Affordable Care Act [Pub. L. 111-148], not otherwise appropriated, the sum of \$1,795,112, or so much of the sum as may be necessary, to the state department of health for the purpose of providing \$182,100 for an abstinence program, \$200,000 for public health infrastructure, and \$1,413,012 for a home visiting program, for the biennium beginning July 1, 2011, and ending June 30, 2013."

Re-number accordingly

2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Appropriations

Bill/Resolution No. 2015 as (re) engrossed

Date: 4-27-11

Roll Call Vote #: 5 .02049

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

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

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

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

Motion Made by: Taylor Seconded by: Glassheim

Senators				Yes	No	Representatives				Yes	No
Senator Holmberg					✓	Rep. Carlson					✓
Senator Stenehjem					✓	Rep. Delzer					✓
Senator Taylor				✓		Rep. Glassheim				✓	

Vote Count: Yes 2 No 4 Absent 0

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

+
motion fails

Statement of purpose of amendment

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the Senate accede to the House amendments as printed on pages 1496-1501 of the Senate Journal and pages 1781-1785 of the House Journal and that Engrossed Senate Bill No. 2015 be further amended as follows:

Page 1, line 3, replace "and" with "to amend and reenact section 54-27.2-01 of the North Dakota Century Code, relating to the budget stabilization fund;"

Page 1, line 3, after "intent" insert "; and to declare an emergency"

Page 3, after line 17, insert:

"SECTION 9. AMENDMENT. Section 54-27.2-01 of the North Dakota Century Code is amended and reenacted as follows:

54-27.2-01. (Effective through June 30, 2009) 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 five 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.

(Effective after June 30, 2009) 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 ten percent of the current biennial state general fund budget excluding appropriations identified by the legislative assembly as one-time funding, 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."

Page 3, after line 30, insert:

"SECTION 11. EMERGENCY. Section 9 of this Act is declared to be an emergency measure."

Re-number accordingly

2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Appropriations

Bill/Resolution No. 2015 as (re) engrossed

.02025

Date: 4-27-11

Roll Call Vote #: 6

Action Taken

- SENATE accede to House amendments
- SENATE accede to House amendments and further amend
- HOUSE recede from House amendments
- HOUSE recede from House amendments and amend as follows

Senate/House Amendments on SJ/HJ page(s) ..

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

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

Motion Made by: Glassheim Seconded by: Taylor

Senators				Yes	No	Representatives				Yes	No	
Senator Holmberg						Rep. Carlson						
Senator Stenehjem						Rep. Delzer						
Senator Taylor						Rep. Glassheim						

Vote Count: Yes 2 No 4 Absent 0

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

motion fails

Statement of purpose of amendment

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the Senate accede to the House amendments as printed on pages 1496-1501 of the Senate Journal and pages 1781-1785 of the House Journal and that Engrossed Senate Bill No. 2015 be further amended as follows:

Page 1, line 3, replace "and" with "to amend and reenact section 54-27.2-01 of the North Dakota Century Code, relating to the budget stabilization fund;"

Page 1, line 3, after "intent" insert "; and to declare an emergency"

Page 3, after line 17, insert:

"SECTION 9. AMENDMENT. Section 54-27.2-01 of the North Dakota Century Code is amended and reenacted as follows:

54-27.2-01. (Effective through June 30, 2009) 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 five 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.

(Effective after June 30, 2009) 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 ~~ten~~nine 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."

Page 3, after line 30, insert:

"SECTION 11. EMERGENCY. Section 9 of this Act is declared to be an emergency measure."

Re-number accordingly

Committee: Senate Appropriations

Bill/Resolution No. 2015 as (re) engrossed

Date: 4-27-11

Roll Call Vote #: 7

0.02024

Action Taken

- SENATE accede to House amendments
- SENATE accede to House amendments and further amend
- HOUSE recede from House amendments
- HOUSE recede from House amendments and amend as follows

Senate/House Amendments on SJ/HJ page(s) _____

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

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

Motion Made by: Glassheim Seconded by: Taylor

Senators				Representatives				
	Yes	No		Yes	No		Yes	No
Sen. Holmberg		✓		Carlson				✓
Stenchjenn		✓		Delzer				✓
Taylor	✓			Glassheim			✓	

Vote Count: Yes 2 No 4 Absent _____

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

motion failed

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1496-1501 of the Senate Journal and pages 1781-1785 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 3, remove "and"

Page 1, line 3, after "intent" insert "; and to amend and reenact section 54-44.1-12 of the North Dakota Century Code, relating to budget allotments"

Page 3, after line 30, insert:

"SECTION 10. AMENDMENT. Section 54-44.1-12 of the North Dakota Century Code is amended and reenacted as follows:

54-44.1-12. Control over rate of expenditures.

1. The director of the budget shall exercise continual control over the execution of the budget affecting the departments and agencies of state government, with the exception of the legislative and judicial branches. Execution means the analysis and approval of all commitments for conformity with the program provided in the budget, frequent comparison of actual revenues and budget estimates, and on the basis of these analyses and comparisons control the rate of expenditures through a system of allotments. The allotment must be made by specific fund and all departments and agencies that receive moneys from that fund must be allotted on a uniform percentage basis, except that appropriations to the department of public instruction for foundation aid, transportation aid, and special education aid may only be allotted to the extent that the allotment can be offset by transfers from the foundation aid stabilization fund. Before an allotment is made which will reduce the amount of funds which can be disbursed pursuant to an appropriation or before an allotment disallowing a specific expenditure is made, the director shall find one or more of the following circumstances to exist:
 - ~~1.~~ a. The moneys and estimated revenues in a specific fund from which the appropriation is made are insufficient to meet all legislative appropriations from the fund.
 - ~~2.~~ b. The payment or the obligation incurred is not authorized by law.
 - ~~3.~~ c. The expenditure or obligation is contrary to legislative intent as recorded in any reliable legislative records, including:
 - ~~a.~~ (1) Statements of legislative intent expressed in enacted appropriation measures or other measures enacted by the legislative assembly; and
 - ~~b.~~ (2) Statements of purpose of amendment explaining amendments to enacted appropriation measures, as recorded in the journals of the legislative assembly.

4. d. Circumstances or availability of facts not previously known or foreseen by the legislative assembly which make possible the accomplishment of the purpose of the appropriation at a lesser amount than that appropriated.
2. Before the director makes any allotment under subdivision a of subsection 1, the governor may postpone any expenditure identified by the legislative assembly as a one-time appropriation."

Renumber accordingly

2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Appropriations

Bill/Resolution No. 2015 as (re) engrossed

Date: 4-27-H

Roll Call Vote #: 8

02045

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

Senate/House Amendments on SJ/HJ page(s) _____

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

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

Motion Made by: Glassheim Seconded by: Taylor

Senators				Representatives			
	Yes	No			Yes	No	
<u>Holmberg</u>	✓			<u>Carlson</u>			✓
<u>Stenehjem</u>		✓		<u>Delzer</u>			✓
<u>Taylor</u>	✓			<u>Glassheim</u>			✓

Vote Count: Yes 3 No 3 Absent 0

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Motion failed

Statement of purpose of amendment

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1496-1501 of the Senate Journal and pages 1781-1785 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 3, remove "and"

Page 1, line 3, after "intent" insert "; and to declare an emergency"

Page 3, after line 30, insert:

"SECTION 10. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$211,264, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of allocation of mill levy reduction grants to school districts under chapter 57-64, for the period beginning with the effective date of this Act and ending June 30, 2011.

SECTION 11. EMERGENCY. Section 10 of this Act is declared to be an emergency measure."

Renumber accordingly

2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Appropriations

Bill/Resolution No. 2015 as (re) engrossed

Date: 4-27-11

Roll Call Vote #: 9

.02050

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

Senate/House Amendments on SJ/HJ page(s) _____

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

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

Motion Made by: Stenehjem Seconded by: Carlson

Senators			Yes	No		Representatives			Yes	No
<u>Holmberg</u>			✓			<u>Carlson</u>			✓	
<u>Stenehjem</u>			✓			<u>Delzer</u>			✓	
<u>Taylor</u>			✓			<u>Glassheim</u>			✓	

Vote Count: Yes 6 No 0 Absent 0

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Motion Carried

Statement of purpose of amendment

2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Appropriations

Bill/Resolution No. 2015 as (re) engrossed

Date: 4-27-11

Roll Call Vote #: 10

Section 10

Action Taken

- SENATE accede to House amendments
- SENATE accede to House amendments and further amend
- HOUSE recede from House amendments
- HOUSE recede from House amendments and amend as follows

Senate/House Amendments on SJ/HJ page(s) _____

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

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

Motion Made by: Delzer Seconded by: Stenehjem

Senators				Yes	No		Representatives				Yes	No
<i>Holmberg</i>				✓			<i>Carlson</i>				✓	
<i>Stenehjem</i>				✓			<i>Delzer</i>				✓	
<i>Taylor</i>				✓			<i>Glassheim</i>				✓	

Vote Count: Yes 6 No 0 Absent 0

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Motion Carried

Statement of purpose of amendment

2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Appropriations

Bill/Resolution No. 2015 as (re) engrossed

Date: 4-27-11

Roll Call Vote #: 11

Section 11

Action Taken

- SENATE accede to House amendments
- SENATE accede to House amendments and further amend
- HOUSE recede from House amendments
- HOUSE recede from House amendments and amend as follows

Senate/House Amendments on SJ/HJ page(s) _____

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

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

Motion Made by: Delzer Seconded by: Carlson

Senators				Representatives			
		Yes	No			Yes	No
		✓				✓	
		✓				✓	
			✓				✓

Vote Count: Yes 4 No 2 Absent 0

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Motion Carried

Statement of purpose of amendment

2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Appropriations

Bill/Resolution No. 2015 as (re) engrossed

Date: 4-27-11

Roll Call Vote #: 12

Section 12

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

Senate/House Amendments on SJ/HJ page(s) _____

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

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

Motion Made by: Delzer Seconded by: Carlson

Senators	Yes	No		Representatives	Yes	No
<u>Holmberg</u>	✓			<u>Carlson</u>	✓	
<u>Stenehjem</u>	✓			<u>Delzer</u>	✓	
<u>Taylor</u>	✓			<u>Glassheim</u>	✓	

Vote Count: Yes 6 No 0 Absent 0

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Motion Carries

Statement of purpose of amendment

2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Appropriations

Bill/Resolution No. 2015 as (re) engrossed

Date: 4-27-11

Roll Call Vote #: 13

Section 13

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

Senate/House Amendments on SJ/HJ page(s) _____

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

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

Motion Made by: Delzer Seconded by: Carlson

Senators	Yes	No		Representatives	Yes	No
<u>Holmberg</u>	✓			<u>Carlson</u>	✓	
<u>Stenehjem</u>				<u>Delzer</u>	✓	
<u>Taylor</u>		✓		<u>Glassheim</u>		

Vote Count: Yes 5 No 1 Absent 0

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Motion Carried

Statement of purpose of amendment

2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Appropriations

Bill/Resolution No. 2015 as (re) engrossed

Date: 4-27-11

Roll Call Vote #: 14

Section 14

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

Senate/House Amendments on SJ/HJ page(s) _____

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

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

Motion Made by: Detzer Seconded by: Carlson

Senators			Yes	No		Representatives			Yes	No
<u>Holmberg</u>			✓	/		<u>Carlson</u>			✓	/
<u>Stenehjem</u>			✓	/		<u>Detzer</u>			✓	/
<u>Taylor</u>			✓	/		<u>Glassheim</u>			✓	/

Vote Count: Yes 6 No 0 Absent 0

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Motion Carried

Statement of purpose of amendment

2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Appropriations

Bill/Resolution No. 2015 as (re) engrossed

Date: 4-27-11

Roll Call Vote #: 15

Section 15

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

Senate/House Amendments on SJ/HJ page(s) _____

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

((Re) Engrossed) ~~A~~ was placed on the Seventh order of business on the calendar

Motion Made by: Delzer Seconded by: Carlson

Senators				Yes	No	Representatives				Yes	No
				✓	✓					✓	✓
<i>Holmberg</i>				✓	✓	<i>Carlson</i>				✓	✓
<i>Stenehjem</i>				✓	✓	<i>Delzer</i>				✓	✓
<i>Taylor</i>					✓	<i>Glassheim</i>					✓

Vote Count: Yes 4 No 2 Absent 0

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Motion carried

Statement of purpose of amendment

2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Appropriations

Bill/Resolution No. 2015 as (re) engrossed

Date: 4-27-11

Roll Call Vote #: 16

Section 16

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

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

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

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

Motion Made by: Delzer Seconded by: Carlson

Senators				Representatives			
		Yes	No			Yes	No
<u>Holmberg</u>		✓		<u>Carlson</u>		✓	
<u>Stenehjem</u>		✓		<u>Delzer</u>		✓	
<u>Taylor</u>		✓		<u>Glassheim</u>		✓	

Vote Count: Yes 6 No 0 Absent 0

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Motion Carried

Statement of purpose of amendment

2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Appropriations

Bill/Resolution No. 2015 as (re) engrossed

Date: 4-27-11

Roll Call Vote #: 17

Section 17

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

Senate/House Amendments on SJ/HJ page(s) _____

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

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

Motion Made by: Delzer Seconded by: Carlson

Senators				Yes	No	Representatives				Yes	No
					✓					✓	
					✓					✓	
					✓						✓

Vote Count: Yes 2 No 4 Absent 0

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Failed

Statement of purpose of amendment

2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Appropriations

Bill/Resolution No. 2015 as (re) engrossed

Date: 4-27-11

Roll Call Vote #: 18

House position on the removal of \$400,000 on signage around the Capitol

Action Taken

- SENATE accede to House amendments
- SENATE accede to House amendments and further amend
- HOUSE recede from House amendments
- HOUSE recede from House amendments and amend as follows

Senate/House Amendments on SJ/HJ page(s) _____

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

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

Motion Made by: Delzer Seconded by: Carlson

Senators		Yes	No	Representatives		Yes	No
<u>Holmberg</u>		✓		<u>Carlson</u>		✓	
<u>Stenehjem</u>		✓		<u>Delzer</u>		✓	
<u>Taylor</u>			✓	<u>Glassheim</u>			✓

Vote Count: Yes 4 No 2 Absent 0

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Motion Carried

Statement of purpose of amendment

2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Appropriations

Bill/Resolution No. 2015 as (re) engrossed

Date: 4-27-11

Roll Call Vote #: 19

*Add \$100,000 to
The Public Transportation Fund.*

Action Taken

- SENATE accede to House amendments
- SENATE accede to House amendments and further amend
- HOUSE recede from House amendments
- HOUSE recede from House amendments and amend as follows

Senate/House Amendments on SJ/HJ page(s) _____

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

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

Motion Made by: Carlson Seconded by: Taylor

Senators		Yes	No	Representatives		Yes	No
<u>Holmberg</u>		✓		<u>Carlson</u>		✓	
<u>Stenehjem</u>		✓		<u>Delzer</u>		✓	
<u>Taylor</u>		✓		<u>Glassheim</u>		✓	

Vote Count: Yes 6 No 0 Absent 0

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Motion Carried

Statement of purpose of amendment

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1496-1501 of the Senate Journal and pages 1781-1785 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 3, remove "and"

Page 1, line 3, after "intent" insert "; and to create and enact a new section to House Bill No. 1134, as approved by the sixty-second legislative assembly, relating to expiration of that Act"

Page 3, after line 30, insert:

"SECTION 10. A new section to House Bill No. 1134, as approved by the sixty-second Legislative Assembly, is created and enacted as follows:

SECTION 9. CONTINGENT EXPIRATION DATE. If a court of competent jurisdiction finds any portion of this Act unconstitutional, this Act immediately expires."

Renumber accordingly

2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Appropriations

Bill/Resolution No. 2015 as (re) engrossed

Date: 4-27-11 6pm

Roll Call Vote #:

*#02048
no vote
at this
time*

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

Senate/House Amendments on SJ/HJ page(s)

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

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

Motion Made by: none ^{6pm} Seconded by: none ^{6pm}

Senators			Yes	No		Representatives			Yes	No
Senator Holmberg	✓					Rep. Carlson	✓			
Senator Stenehjem	✓					Rep. Delzer	✓			
Senator Taylor	✓					Rep. Glassheim	✓			

Vote Count: Yes No Absent

Senate Carrier House Carrier

LC Number 11.8138 . 02048 of amendment

LC Number . of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

April 25, 2011

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1496-1501 of the Senate Journal and pages 1781-1785 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, replace line 19 with:

"Prairie public broadcasting	1,337,138	0	1,337,138"
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Page 1, replace line 22 with:

"Total all funds	\$50,937,875	(\$6,972,577)	\$43,965,298"
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Page 1, replace line 24 with:

"Total general fund	\$36,249,096	(\$3,198,259)	\$33,050,837"
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Page 2, replace line 7 with:

"Prairie public broadcasting	\$2,016,200		\$0"
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Page 2, replace line 15 with:

"Total all funds	\$6,681,735		\$3,850,000"
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Page 2, replace line 17 with:

"Total general fund	\$4,858,100		\$3,850,000"
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Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment removes \$500,000 of one-time funding from the general fund added by the Senate for Prairie Public Broadcasting to provide total funding of \$1,337,138, the same as the executive recommendation. The House provided total funding of \$1,000,000 for Prairie Public Broadcasting.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1496-1501 of the Senate Journal and pages 1781-1785 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 3, remove "and"

Page 1, line 3, after "intent" insert "; and to provide for a performance audit"

Page 3, after line 30, insert:

"SECTION 10. PERFORMANCE AUDIT - VETERANS' POSTWAR TRUST FUND. The state auditor shall conduct a performance audit of the veterans' postwar trust fund during the biennium beginning July 1, 2011, and ending June 30, 2013. The results of the performance audit must be presented to the legislative audit and fiscal review committee and filed with the appropriations committees of the sixty-third legislative assembly."

Renumber accordingly

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

Page 1, line 3, after the second semicolon insert "to amend and reenact subsection 2 of section 57-51-15 and subsection 5 of section 57-51.2-02 of the North Dakota Century Code, relating to allocation between counties and the state general fund of oil and gas gross production tax revenues from production within the Fort Berthold Reservation;"

Page 3, after line 17, insert:

"SECTION 9. AMENDMENT. Subsection 2 of section 57-51-15 of the North Dakota Century Code is amended and reenacted as follows:

2. a. After deduction of the amount provided in subsection 1, annual revenue collected under this chapter from oil and gas produced in each county must be allocated as follows:
 - a- (1) The first two million dollars must be allocated to the county.
 - b- (2) The next one million dollars must be allocated seventy-five percent to the county and twenty-five percent to the state general fund.
 - c- (3) The next one million dollars must be allocated fifty percent to the county and fifty percent to the state general fund.
 - d- (4) The next fourteen million dollars must be allocated twenty-five percent to the county and seventy-five percent to the state general fund.
 - e- (5) All annual revenue remaining after the allocation in ~~subdivision d~~ paragraph 4 must be allocated ten percent to the county and ninety percent to the state general fund.
- b. For taxes under this chapter imposed on oil and gas production within the Fort Berthold Reservation, the allocation to the county as determined under this subsection must be based on the entire amount of state and tribal taxes collected on that production, the allocation to the state general fund must be reduced accordingly, and the allocation to the Three Affiliated Tribes of the Fort Berthold Reservation must be as determined under the agreements entered under chapter 57-51.2 without any reduction under this subsection.

SECTION 10. AMENDMENT. Subsection 5 of section 57-51.2-02 of the North Dakota Century Code is amended and reenacted as follows:

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 attributable to nontrust lands on the Fort Berthold Reservation 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."

Renumber accordingly

2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Appropriations

Bill/Resolution No. 2015 as (re) engrossed

Date: 4-28-11

Roll Call Vote #: 1

02032

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

Senate/House Amendments on SJ/HJ page(s) _____

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

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

Motion Made by: Carlson Seconded by: Delzer

Senators				Representatives			
	Yes	No	Absent		Yes	No	Absent
Senator Holmberg	✓	✓		Rep. Carlson	✓	✓	
Senator Stenehjem	✓	✓		Rep. Delzer	✓	✓	
Senator Taylor	✓	✓		Rep. Glassheim	✓	✓	

Vote Count: Yes 4 No 2 Absent _____

Senate Carrier _____ House Carrier _____

LC Number _____ . 02032 of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

failed

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1496-1501 of the Senate Journal and pages 178101785 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 2, after "budget" insert ", the superintendent of public instruction, the state board of higher education, and the department of human services; to create and enact a new section to chapter 48-01.2, a new section to chapter 54-27, and a new subdivision to subsection 1 of section 54-10-14 of the North Dakota Century Code and a new section to House Bill No. 1185, a new section to Senate Bill No. 2083, and a new subdivision to subsection 6 of section 1 of House Bill No. 1438, as approved by the sixty-second legislative assembly, relating to public improvement bids and contracts, a report on federal grants, entities required to be audited by the state auditor, an emergency declaration, and an employer's prohibition on firearm possession; to amend and reenact section 39-02-03, subdivision a of subsection 2 of section 54-03-20, sections 54-16-03.1 and 54-35-02.3 of the North Dakota Century Code and sections 1 and 8 of House Bill No. 1014 and sections 1 and 8 of House Bill No. 1020, as approved by the sixty-second legislative assembly, relating to the powers and duties of the director of the department of transportation, housing reimbursement for members of the legislative assembly, petitions to the emergency commission, legislative management employee benefits programs committee, appropriations for the industrial commission, and appropriations to the branch research centers"

Page 1, line 3, remove "and"

Page 1, line 3, after "intent" insert "; to provide for legislative management reports; and to declare an emergency"

Page 1, replace line 17 with:

"Capital assets	2,420,298	6,369,845	8,790,143"
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Page 1, replace line 19 with:

"Prairie public broadcasting	1,337,138	(337,138)	1,000,000"
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Page 1, replace lines 22 through 24 with:

"Total all funds	\$50,937,875	(\$7,909,715)	\$43,028,160
Less estimated income	14,688,779	(4,174,318)	10,514,461
Total general fund	\$36,249,096	(\$3,735,397)	\$32,513,699"

Page 2, replace line 7 with:

"Prairie public broadcasting	\$2,016,200	\$0"
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Page 2, replace line 13 with:

"Capitol complex parking lot repairs	0	800,000"
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Page 2, replace line 15 with:

"Total all funds	\$6,681,735	\$3,650,000"
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Page 2, replace line 17 with:

"Total general fund	\$4,858,100	\$3,650,000"
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Page 2, after line 21, insert:

"SECTION 3. APPROPRIATION - TRANSFER - GENERAL FUND TO PUBLIC TRANSPORTATION FUND. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$100,000, which the office of management and budget shall transfer to the public transportation fund during the biennium beginning July 1, 2011, and ending June 30, 2013."

Page 2, line 22, replace "LANDS AND MINERALS TRUST" with "STRATEGIC INVESTMENT AND IMPROVEMENTS"

Page 2, line 24, replace "\$239,000,000" with "_____"

Page 2, line 24, remove "lands and minerals"

Page 2, line 25, replace "trust" with "strategic investment and improvements"

Page 2, remove lines 26 through 31

Page 3, remove lines 1 and 2

Page 3, replace lines 18 through 30 with:

"SECTION 8. STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES. It is the intent of the sixty-second legislative assembly that 2011-13 biennium compensation adjustments for regular nonclassified state employees are to be based on documented performance and equity and are not to be the same percentage increase for each employee. Compensation adjustments for the 2011-13 biennium for regular classified state employees are to be based on guidelines developed by the office of management and budget in accordance with section 10 of this Act.

General increases based on legislative appropriations are to be given beginning with the month of July 2011, to be paid in August 2011, and beginning with the month of July 2012, to be paid in August 2012. Each agency appropriation is increased by three percent for the first year of the 2011-13 biennium and three percent for the second year of the 2011-13 biennium. Employees whose overall documented performance level does not meet standards are not eligible for any salary increase.

Probationary employees are not entitled to the general 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.

SECTION 9. EXTERNAL COMPETITIVENESS TARGET - CLASSIFIED STATE EMPLOYEE COMPENSATION ADJUSTMENT GUIDELINES - 2011-13 BIENNIUM. The office of management and budget shall set the external competitiveness target for the classified state employee compensation system based on the funding provided by the sixty-second legislative assembly for classified state

employee compensation, for the biennium beginning July 1, 2011, and ending June 30, 2013. The office of management and budget shall develop guidelines for use by state agencies for providing compensation adjustments for regular classified state employees, for the biennium beginning July 1, 2011, and ending June 30, 2013. The guidelines must be developed in accordance with the compensation philosophy statement and compensation system initiatives included in House Bill No. 1031, as approved by the sixty-second legislative assembly, and the external competitiveness target as determined by the office of management and budget.

SECTION 10. OFFICE OF MANAGEMENT AND BUDGET - REPORTS TO LEGISLATIVE MANAGEMENT - STATE EMPLOYEE COMPENSATION SYSTEM CHANGES. The office of management and budget shall provide periodic reports to the legislative management during the 2011-12 interim on the status of implementation and administration of the compensation philosophy statement and compensation system initiatives included in House Bill No. 1031, as approved by the sixty-second legislative assembly.

SECTION 11. INFORMATION TECHNOLOGY PROJECT PLANNING. Each executive branch state agency, excluding entities under the control of the state board of higher education, considering the development of an information technology project with an estimated cost of \$100,000 or more shall involve the information technology department in the planning and study of the project, for the biennium beginning July 1, 2011, and ending June 30, 2013. A state agency must receive a recommendation from the information technology department prior to proceeding with any study relating to the project.

SECTION 12. DRAFT APPROPRIATIONS ACTS - ALTERNATIVE FORMAT PILOT PROJECT - SIXTY-THIRD LEGISLATIVE ASSEMBLY - EXCEPTION. Notwithstanding subsection 7 of section 54-44.1-06, the draft of proposed appropriations acts submitted by the governor for introduction to the sixty-third legislative assembly for the highway patrol, protection and advocacy project, secretary of state, and public service commission must be at the same level of ongoing funding as provided by the sixty-second legislative assembly. The governor shall attach a proposed draft amendment to the draft appropriations acts for these agencies making the funding changes necessary to provide for the appropriations as recommended by the governor, for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 13. DEPARTMENT OF TRANSPORTATION MOTOR VEHICLE BRANCH OFFICE AUTHORIZATION. Notwithstanding any other provision of law, the department of transportation is authorized to design and procure or construct additional office space, including modular buildings or onsite construction, for use as a motor vehicle branch office, for the period beginning with the effective date of this Act and ending June 30, 2013.

SECTION 14. 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 \$1,474,362, or so much of the sum as may be necessary, to the department of human services for the purpose of completing the medicaid management information system replacement project, for the biennium beginning July 1, 2011, and ending June 30, 2013. This funding is considered to be one-time funding for the 2011-13 biennium and is not to be part of the department's base budget for the 2013-15 biennium. The department shall report to the appropriations committees of the sixty-third legislative assembly on the use of this one-time funding.

SECTION 15. AMENDMENT. Section 1 of House Bill No. 1014, as approved by the sixty-second 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 state industrial commission and agencies under its control for the purpose of defraying the expenses of the state industrial commission and agencies under its control, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

Subdivision 1.

	INDUSTRIAL COMMISSION		
	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$9,321,995	\$2,889,625	\$12,211,620
Operating expenses	2,646,426	847,318	3,493,744
Capital assets	49,000	(49,000)	0
Grants - Lignite research and development	19,971,300	0	19,971,300
Grants - Bond payments	27,441,865	(2,052,132)	25,389,733
Mineral resources contingency	0	743,972	743,972
Carbon dioxide storage facility administrative fund	0	532,000	532,000
Renewable energy development	<u>0</u>	<u>1,500,000</u>	<u>1,500,000</u>
Total all funds	\$59,430,586	\$4,411,783	\$63,842,369
Less estimated income	<u>49,308,484</u>	<u>(2,541,728)</u>	<u>46,766,756</u>
Total general fund	\$10,122,102	\$6,953,511	\$17,075,613
Full-time equivalent positions	61.06	13.00	74.06

Subdivision 2.

	BANK OF NORTH DAKOTA - OPERATIONS		
	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Bank of North Dakota operations	\$41,762,274	\$3,824,881	\$45,587,155
Capital assets	<u>1,455,000</u>	<u>(189,000)</u>	<u>1,266,000</u>
Total special funds	\$43,217,274	\$3,635,881	\$46,853,155
Full-time equivalent positions	176.50	0.00	176.50

Subdivision 3.

	BANK OF NORTH DAKOTA - ECONOMIC DEVELOPMENT		
	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Partnership in assisting community expansion fund	\$8,000,000	(\$2,000,000)	\$6,000,000
Agriculture partnership in assisting community expansion fund	1,400,000	(400,000)	1,000,000
Beginning farmer revolving loan fund	950,000	450,000	1,400,000
Biofuels partnership in assisting community expansion fund	<u>0</u>	<u>1,000,000</u>	<u>1,000,000</u>
Total all funds	\$10,350,000	(\$950,000)	\$9,400,000
Less beginning farmer revolving loan fund	<u>950,000</u>	<u>(950,000)</u>	<u>0</u>
Total general fund	\$9,400,000	\$0	\$9,400,000

Subdivision 4.

MILL AND ELEVATOR ASSOCIATION

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$22,599,324	\$3,418,684	\$26,018,008
Operating expenses	16,982,918	3,460,951	20,443,869
Contingencies	325,000	75,000	400,000
Agriculture promotion	<u>150,000</u>	<u>60,000</u>	<u>210,000</u>
Total from mill and elevator fund	\$40,057,242	\$7,014,635	\$47,071,877
Full-time equivalent positions	131.00	0.00	131.00

Subdivision 5.

HOUSING FINANCE AGENCY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$5,981,828	\$534,449	\$6,516,277
Operating expenses	8,677,581	(3,562,732)	5,114,849
Grants	26,224,360	634,560	26,858,920
Housing finance agency contingencies	<u>100,000</u>	<u>0</u>	<u>100,000</u>
Total special funds	\$40,983,769	(\$2,393,723)	\$38,590,046
Full-time equivalent positions	46.00	0.00	46.00

Subdivision 6.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
<u>Grand total general fund</u>	<u>\$19,522,102</u>	<u>\$6,953,511</u>	<u>\$26,475,613</u>
<u>Grand total special funds</u>	<u>174,516,769</u>	<u>4,765,065</u>	<u>179,281,834</u>
Grand total all funds	\$194,038,871	\$11,718,576	\$205,757,447

SECTION 16. AMENDMENT. Section 8 of House Bill No. 1014, as approved by the sixty-second legislative assembly, is amended and reenacted as follows:

SECTION 8. CONTINGENT DEPARTMENT OF MINERAL RESOURCES FUNDING - EMERGENCY COMMISSION APPROVAL. Of the funds appropriated in the mineral resources contingency line item in subdivision 1 of section 1 of this Act, \$743,972 is from the general fund. If funds are required due to the drilling rig count exceeding one hundred eighty for at least thirty consecutive days, the oil and gas division may spend up to \$192,393 of these funds and hire one full-time equivalent position, upon emergency commission approval, and further if funds are required due to the drilling rig count exceeding one hundred ninety for at least thirty consecutive days, the oil and gas division may spend up to an additional \$192,393 of these funds and hire one full-time equivalent position, upon emergency commission approval. If funds are required due to the total number of oil wells in the state exceeding nine thousand three hundred, the oil and gas division may spend up to \$359,186 and hire two full-time equivalent positions, upon emergency commission approval.

SECTION 17. AMENDMENT. Section 1 of House Bill No. 1020, as approved by the sixty-second 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 North Dakota state university extension service, the northern crops institute, the upper great plains transportation institute, the main research center, branch research centers, and agronomy seed farm for the purpose of defraying the expenses of the North Dakota state university extension service, the northern crops institute, the upper great plains transportation institute, the main research center, branch research centers, and agronomy seed farm, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

Subdivision 1.

NORTH DAKOTA STATE UNIVERSITY EXTENSION SERVICE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Extension service	\$47,091,489	(\$64,835)	\$47,026,654
Soil conservation committee	837,800	150,000	987,800
Total all funds	\$47,929,289	\$85,165	\$48,014,454
Less estimated income	25,928,877	(2,800,067)	23,128,810
Total general fund	\$22,000,412	\$2,885,232	\$24,885,644
Full-time equivalent positions	255.75	1.00	256.75

Subdivision 2.

NORTHERN CROPS INSTITUTE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Total all funds	\$3,037,486	\$309,821	\$3,347,307
Less estimated income	1,598,265	56,460	1,654,725
Total general fund	\$1,439,221	\$253,361	\$1,692,582
Full-time equivalent positions	11.00	0.00	11.00

Subdivision 3.

UPPER GREAT PLAINS TRANSPORTATION INSTITUTE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Total all funds	\$23,326,992	\$742,969	\$24,069,961
Less estimated income	21,737,199	413,134	22,150,333
Total general fund	\$1,589,793	\$329,835	\$1,919,628
Full-time equivalent positions	52.30	0.00	52.30

Subdivision 4.

MAIN RESEARCH CENTER

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Main research center	\$87,530,418	\$11,059,555	\$98,589,973
Deferred maintenance	0	0	0
Grape and wine program committee	0	0	0
Federal fiscal stimulus 2009	0	0	0
Total all funds	\$87,530,418	\$11,059,555	\$98,589,973
Less estimated income	45,013,267	(879,692)	44,133,575
Total general fund	\$42,517,151	\$11,939,247	\$54,456,398
Full-time equivalent positions	329.26	4.00	333.26

Subdivision 5.

RESEARCH CENTERS

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Dickinson research center	\$5,012,580	\$1,375,982	\$6,388,562
Central grasslands research center	2,560,602	305,245	2,865,847
Hettinger research center	2,995,155	378,020	3,373,175
Langdon research center	2,091,572	287,235	2,378,807
North central research center	3,973,952	425,869	4,399,821
Williston research center	2,922,183	487,906	3,410,089
Carrington research center	<u>6,727,962</u>	<u>398,526</u>	<u>7,126,488</u>
Total all funds	\$26,284,006	\$3,658,783	\$29,942,789
Less estimated income	<u>13,916,816</u>	<u>1,880,765</u>	<u>15,797,581</u>
Total general fund	<u>12,367,190</u>	<u>1,778,018</u>	<u>14,145,208</u>
Less estimated income	13,916,816	1,080,765	14,997,581
Total general fund	\$12,367,190	\$2,578,018	\$14,945,208
Full-time equivalent positions	95.49	2.00	97.49

Subdivision 6.

AGRONOMY SEED FARM

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Agronomy seed farm	<u>\$1,275,238</u>	<u>\$159,930</u>	<u>\$1,435,168</u>
Total special funds	\$1,275,238	\$159,930	\$1,435,168
Full-time equivalent positions	3.00	0.00	3.00

Subdivision 7.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	<u>\$79,913,767</u>	<u>\$17,185,693</u>	<u>\$97,099,460</u>
Grand total special funds	<u>109,469,662</u>	<u>(1,169,470)</u>	<u>108,300,192</u>
Grand total general fund	<u>\$79,913,767</u>	<u>\$17,985,693</u>	<u>\$97,899,460</u>
Grand total special funds	<u>109,469,662</u>	<u>(1,969,470)</u>	<u>107,500,192</u>
Grand total all funds	\$189,383,429	\$16,016,223	\$205,399,652

SECTION 18. AMENDMENT. Section 8 of House Bill No. 1020, as approved by the sixty-second legislative assembly, is amended and reenacted as follows:

SECTION 8. PERMANENT OIL TAX TRUST FUND - DICKINSON RESEARCH CENTER - OPERATING POOL FUNDING. The ~~estimated income~~ general fund line item in subdivision 5 of section 1 of this Act includes \$800,000 ~~from the permanent oil tax trust fund. This of operating pool~~ funding is available only for defraying the costs of operations of the Dickinson research center, for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 19. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$211,264, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of allocation of mill levy reduction grants to school districts under chapter 57-64, for the period beginning with the effective date of this Act and ending June 30, 2011.

SECTION 20. APPROPRIATION - STATE BOARD OF HIGHER EDUCATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$150,000, or so much of the sum as may be

necessary, to the state board of higher education for the purpose of supporting educational leadership programs at the university of North Dakota and North Dakota state university, for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 21. A new section to House Bill No. 1185, as approved by the sixty-second legislative assembly, is created and enacted as follows:

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

SECTION 22. A new subdivision to subsection 6 of section 1 of House Bill No. 1438, as enacted by the sixty-second legislative assembly, is created and enacted as follows:

The state hospital.

SECTION 23. A new section to Senate Bill No. 2083, as approved by the sixty-second legislative assembly, is created and enacted as follows:

SECTION 2. EMERGENCY. This Act is declared to be an emergency measure.

SECTION 24. AMENDMENT. Section 39-02-03 of the North Dakota Century Code is amended and reenacted as follows:

39-02-03. Powers and duties of director and department.

The director, subject to the approval of the governor, may adopt and enforce such administrative rules and designate such agencies and establish such branch offices as may be necessary to carry out the laws applicable to the director's office and department. The director shall provide suitable forms for applications, registration cards, license number plates, and all other forms requisite for the operation of the director's office and department, and shall prepay all transportation charges thereon. In addition, the director shall provide for a uniform maximum fee schedule for the various services provided by the branch offices. Any branch office may establish a different fee schedule if the schedule does not contain a fee that exceeds a maximum fee established by the director and is approved by the director. All branch office managers must be bonded. The department may lease or provide office space or other overhead costs as necessary to independent motor vehicle branch managers. All rents collected under this section must be deposited in the state highway fund. The department and the officers thereof shall enforce the provisions of all laws pertaining to the director and the department.

SECTION 25. A new section to chapter 48-01.2 of the North Dakota Century Code is created and enacted as follows:

Bids less than authorized project amount - Additional expense approval - Budget section report.

Upon accepting a bid under this chapter, if the accepted bid is less than all funds dedicated to the public improvement, the governing body of an entity that has received an appropriation of moneys from the general fund of the state treasury for the public improvement shall immediately notify the office of management and budget. Any change order or expenses exceeding the bid amount must be submitted to the office of management and budget for approval. The office of management and budget shall report all approved change orders or additional expenses to the budget section of the legislative management.

SECTION 26. AMENDMENT. Subdivision a of subsection 2 of section 54-03-20 of the North Dakota Century Code is amended and reenacted as follows:

- a. Each member of the legislative assembly is entitled to receive reimbursement for lodging, which may not exceed per calendar month the amount established under this subdivision by the director of the office of management and budget for lodging in state and which may not exceed the rate provided in section 44-08-04 for each calendar day during the period of any organizational, special, or regular session. On August first of each even-numbered year, the director of the office of management and budget shall set the maximum monthly reimbursement for the subsequent two-year period at an amount equal to thirty times ~~fifty-five~~sixty-five percent of the daily lodging reimbursement in effect on that date as provided under subdivision d of subsection 2 of section 44-08-04.

SECTION 27. A new subdivision to subsection 1 of section 54-10-14 of the North Dakota Century Code as amended by section 1 of House Bill No. 1145, as approved by the sixty-second legislative assembly, is created and enacted as follows:

Housing authorities not required to be audited by the federal department of housing and urban development.

SECTION 28. AMENDMENT. Section 54-16-03.1 of the North Dakota Century Code is amended and reenacted as follows:

54-16-03.1. Submission of petition to emergency commission.

When an emergency exists, a state officer may present to the emergency commission an itemized petition requesting approval to transfer money and spending authority between funds or line items pursuant to section 54-16-04; accept and expend federal funds pursuant to section 54-16-04.1; accept and expend state contingency funds pursuant to section 54-16-09; accept and expend other funds pursuant to section 54-16-04.2; or recommend full-time equivalent positions pursuant to section 54-16-04.3. Any petition to the emergency commission by a state officer must be approved or recommended by the emergency commission prior to submission for consideration by the budget section.

SECTION 29. A new section to chapter 54-27 of the North Dakota Century Code is created and enacted as follows:

Report on federal grants by state agency.

Each state agency, excluding entities under the control of the state board of higher education, shall report to the office of management and budget before applying for a federal grant for which the agency may receive estimated funding of twenty-five thousand dollars or more. The report must include the purpose of the grant; the potential amount of the grant; any additional employees that may be required because of the grant; the time period covered by the grant; and grant requirements, including state matching requirements or maintenance of effort. The state agency shall provide updates on the status of the grant application as required by the office of management and budget. At each meeting of the budget section of the legislative management, the office of management and budget shall report to the budget section on the reports received from state agencies under this section.

SECTION 30. AMENDMENT. Section 54-35-02.3 of the North Dakota Century Code is amended and reenacted as follows:

54-35-02.3. Employee benefits programs committee - Appointment - Selection of chairman.

The legislative management, during each biennium, shall appoint an employee benefits programs committee in the same manner as the legislative management appoints other interim committees. The legislative management shall appoint ~~five~~seven members of the house of representatives and ~~four~~six members of the senate to the committee. The legislative management shall designate the chairman of the committee. The committee shall operate according to the statutes and procedure governing the operation of other legislative management interim committees.

SECTION 31. EMERGENCY. Sections 13, 19, 21, 23, and 24 of this Act are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2015 - Summary of Conference Committee Action

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Office of Management and Budget						
Total all funds	\$42,965,298	\$44,465,298	(\$1,337,138)	\$43,128,160	\$42,828,160	\$300,000
Less estimated income	10,914,461	10,914,461	(400,000)	10,514,461	10,514,461	0
General fund	\$32,050,837	\$33,550,837	(\$937,138)	\$32,613,699	\$32,313,699	\$300,000
University System Office						
Total all funds	\$0	\$0	\$150,000	\$150,000	\$0	\$150,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$150,000	\$150,000	\$0	\$150,000
Department of Human Services						
Total all funds	\$0	\$0	\$1,474,362	\$1,474,362	\$0	\$1,474,362
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$1,474,362	\$1,474,362	\$0	\$1,474,362
Bill total						
Total all funds	\$42,965,298	\$44,465,298	\$287,224	\$44,752,522	\$42,828,160	\$1,924,362
Less estimated income	10,914,461	10,914,461	(400,000)	10,514,461	10,514,461	0
General fund	\$32,050,837	\$33,550,837	\$687,224	\$34,238,061	\$32,313,699	\$1,924,362

Senate Bill No. 2015 - Office of Management and Budget - Conference Committee Action

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$18,517,763	\$18,517,763		\$18,517,763	\$18,517,763	
Operating expenses	13,765,254	13,765,254		13,765,254	13,765,254	
Capital assets	8,390,143	9,390,143	(600,000)	8,790,143	8,490,143	300,000
Grants	55,000	55,000		55,000	55,000	
Emergency Commission contingency fund	700,000	700,000		700,000	700,000	
Prairie Public Broadcasting	1,337,138	1,837,138	(837,138)	1,000,000	1,000,000	
State student internship program	200,000	200,000		200,000	200,000	
Transfer to public transportation fund			100,000	100,000	100,000	
Total all funds	\$42,965,298	\$44,465,298	(\$1,337,138)	\$43,128,160	\$42,828,160	\$300,000

Less estimated income	10,914,461	10,914,461	(400,000)	10,514,461	10,514,461	0
General fund	\$32,050,837	\$33,550,837	(\$937,138)	\$32,613,699	\$32,313,699	\$300,000
FTE	131.50	131.50	0.00	131.50	131.50	0.00

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

	Reduces Funding for Prairie Public Broadcasting ¹	Removes Funding for Capitol Grounds Signage Projects ²	Reduces Funding for Parking Lot Repairs ³	Adds Transfer to Public Transportation Fund ⁴	Total Conference Committee Changes
Salaries and wages					
Operating expenses					
Capital assets		(400,000)	(200,000)		(600,000)
Grants					
Emergency Commission contingency fund					
Prairie Public Broadcasting	(837,138)				(837,138)
State student Internship program					
Transfer to public transportation fund				100,000	100,000
Total all funds	(\$837,138)	(\$400,000)	(\$200,000)	\$100,000	(\$1,337,138)
Less estimated income	0	(400,000)	0	0	(400,000)
General fund	(\$837,138)	\$0	(\$200,000)	\$100,000	(\$937,138)
FTE	0.00	0.00	0.00	0.00	0.00

¹ Funding from the general fund for Prairie Public Broadcasting is reduced by \$837,138 to provide total funding of \$1,000,000. This is the same level of funding as provided in the House version. The executive recommendation provided \$1,337,138 of funding for Prairie Public Broadcasting, and the Senate added an additional \$500,000 of one-time funding.

² Funding from the Capitol building fund for exterior signage at the Capitol complex is removed. The House also removed this funding.

³ Funding for Capitol complex parking lot repairs is reduced by \$200,000 to provide total funding of \$800,000. The Senate added a total of \$1,000,000 from the general fund for Capitol complex parking lot repairs and the House reduced funding for parking lot repairs to \$500,000.

⁴ A section is added to provide a transfer of \$100,000 from the general fund to the public transportation fund during the 2011-13 biennium. The House also added this transfer.

Senate Bill No. 2015 - University System Office - Conference Committee Action

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Educational leadership programs			\$150,000	\$150,000		\$150,000
Total all funds	\$0	\$0	\$150,000	\$150,000	\$0	\$150,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$150,000	\$150,000	\$0	\$150,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department No. 215 - University System Office - Detail of Conference Committee Changes

	Adds Funding for Educational Leadership Programs ¹	Total Conference Committee Changes
Educational leadership programs	\$150,000	\$150,000
Total all funds	\$150,000	\$150,000
Less estimated income	0	0
General fund	\$150,000	\$150,000

¹ This amendment provides \$150,000 from the general fund to the State Board of Higher Education for educational leadership programs at the University of North Dakota and North Dakota State University.

Senate Bill No. 2015 - Department of Human Services - Conference Committee Action

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Medicaid management information system			\$1,474,362	\$1,474,362		\$1,474,362
Total all funds	\$0	\$0	\$1,474,362	\$1,474,362	\$0	\$1,474,362
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$1,474,362	\$1,474,362	\$0	\$1,474,362
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department No. 325 - Department of Human Services - Detail of Conference Committee Changes

	Provides MMIS Project ¹	Total Conference Committee Changes
Medicaid management information system	\$1,474,362	\$1,474,362
Total all funds	\$1,474,362	\$1,474,362
Less estimated income	0	0
General fund	\$1,474,362	\$1,474,362
FTE	0.00	0.00

¹ Funding is provided for the completion of the Department of Human Services' Medicaid management information system (MMIS) project. The funding was originally appropriated from the permanent oil tax trust fund. Due to the elimination of the permanent oil tax trust fund in House Bill No. 1451, funding is changed to the general fund.

Senate Bill No. 2015 - Other Changes - Conference Committee Action

This amendment also:

- Adjusts Section 2 to reflect the removal of one-time funding for Prairie Public Broadcasting and the reduction of funding for Capitol complex parking lot repairs.

- Removes Section 5 which transfers \$388,580,000 from the permanent oil tax trust fund to the property tax relief sustainability fund. The House also removed this section.
- Adds three sections to provide that classified state employee compensation adjustments are based on a competitiveness target set by the Office of Management and Budget in accordance with the compensation philosophy statement and compensation initiatives included in House Bill No. 1031. The House provided intent that each state agency receive funding equal to a 3 percent state employee salary increase each year of the 2011-13 biennium, the same as the executive recommendation. The Senate included intent that funding is provided equal to a salary increase of 4 percent the first year of the biennium and 1 percent the second year of the biennium.
- Adds a section regarding Information Technology Department review of proposed state agency information technology projects with an estimated cost of \$100,000 or more. The House also added this section.
- Adds a section to require certain draft appropriations acts to be submitted to the 63rd Legislative Assembly in an alternative format. The House also added this section.
- Enacts two new sections to the North Dakota Century Code relating to public improvement project bids and reports on federal grants. The House also added this section.
- Amends Section 54-16-03.1 relating to the action of the Emergency Commission. The House also amended this section.
- Amends Section 54-35-02.3 relating to the membership of the Employee Benefits Programs Committee. The House also amended this section.
- Amends Section 54-03-20 relating to lodging reimbursement for members of the Legislative Assembly.
- Adds a section to create a new subdivision to subsection 6 of a new unnumbered section added to Chapter 52.1-02 in 2011 House Bill No. 1438 relating to an employer's prohibition of firearms.
- Adds a section to add a new subdivision to subsection 1 of section 54-10-14 as amended in House Bill No. 1145 regarding auditing provisions of political subdivisions and other entities.
- Adds sections to declare House Bill No. 1185 and Senate Bill No. 2083 emergency measures.
- Adds a section regarding Department of Transportation motor vehicle branch office buildings, including the lease of department office space to independent motor vehicle branch managers.
- Amends House Bill Nos. 1014 and 1020 to change the funding source of certain items from the permanent oil tax trust fund to the general fund.
- Provides a 2009-11 biennium appropriation to the Superintendent of Public Instruction for mill levy reduction grants for school districts.

2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Appropriations

Bill/Resolution No. 2015 as (re) engrossed

Date: 4-28-11

Roll Call Vote #: _____

*02057
no action*

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

Senate/House Amendments on SJ/HJ page(s) _____

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

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

Motion Made by: _____ Seconded by: _____

Senators	Yes	No				Representatives	Yes	No
Senator Holmberg						Rep. Carlson		
Senator Stenehjem						Rep. Delzer		
Senator Taylor						Rep. Glassheim		

Vote Count: Yes _____ No _____ Absent _____

Senate Carrier _____ House Carrier _____

LC Number _____ . 02057 of amendment

LC Number _____ . _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

April 28, 2011

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

That the House recede from its amendments as printed on pages 1496-1501 of the Senate Journal and pages 1781-1785 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 3, remove "and"

Page 1, line 3, after "intent" insert "; to provide an effective date; and to declare an emergency"

Page 2, after line 21, insert:

"SECTION 3. STATE TREASURER CONTINGENT TRANSFER - OFFICE OF MANAGEMENT AND BUDGET - APPROPRIATION. Notwithstanding any other provision of law, the state treasurer shall transfer the sum of \$500,000 from the permanent oil tax trust fund to the office of management and budget by June 30, 2011, if the office of management and budget determines the state share of oil and gas tax revenue received under chapters 57-51 and 57-51.1 exceeds February 2011 revised revenue estimates for the 2009-11 biennium by at least \$500,000. Any funds transferred are appropriated to the office of management and budget for the purpose of providing a grant to prairie public broadcasting for the period beginning with the effective date of this Act and ending June 30, 2011. Any funds provided to prairie public broadcasting under this section must be used for costs associated with local and statewide broadcasting."

Page 3, after line 30, insert:

"SECTION 11. EFFECTIVE DATE. Section 3 of this Act is effective immediately upon the filing of this Act with the secretary of state.

SECTION 12. EMERGENCY. Section 3 of this Act is declared to be an emergency measure."

Renumber accordingly

2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Appropriations

Bill/Resolution No. SB 2015 as (re) engrossed

Date: 4/28/2011

Roll Call Vote #: 1

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

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

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

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

Motion Made by: Senator Taylor Seconded by: Rep. Glasheim

Senators	<i>pm</i> 4/28	Yes	No	Representatives	<i>pm</i> 4/28	Yes	No
Senator Holmberg	X	X		Rep. Carlson	X		X
Senator Stenehjem	X	X		Rep. Delzer	X		X
Senator Taylor	X	X		Rep. Glasheim	X	X	

Vote Count: Yes 4 No 2 Absent 0

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Amendment number .02060

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

Page 1, line 2, after the semicolon insert "to provide for emergency commission and budget section approval of tourism infrastructure grants;"

Page 3, after line 17, insert:

**"SECTION 9. DEPARTMENT OF COMMERCE - TOURISM
INFRASTRUCTURE GRANTS - EMERGENCY COMMISSION AND BUDGET
SECTION APPROVAL.** Funding provided to the department of commerce for tourism infrastructure grants in Senate Bill No. 2057, as approved by the sixty-second legislative assembly, may be awarded and spent only upon emergency commission and budget section approval, for the biennium beginning July 1, 2011, and ending June 30, 2013."

Renumber accordingly

2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Appropriations

Bill/Resolution No. SB 2015 as (re) engrossed

Date: 4/28/2011

Roll Call Vote #: 2

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

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

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

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

Motion Made by: Senator Stenehjerm Seconded by: Rep. Carlson

	<i>9m</i>				<i>9m</i>			
Senators	<u>4/28</u>	Yes	No	[]	Representatives	<u>4/28</u>	Yes	No
Senator Holmberg	X	X		[]	Rep. Carlson	X	X	
Senator Stenehjerm	X	X		[]	Rep. Delzer	X	X	
Senator Taylor	X		X	[]	Rep. Glassheim	X		X

Vote Count: Yes 4 No 2 Absent 0

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Amendment number .02051

2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Appropriations

Bill/Resolution No. SB 2015 as (re) engrossed

Date: 4/28/2011

Roll Call Vote #: 3

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

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

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

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

Motion Made by: Rep. Carlson Seconded by: Senator Stenehjem

Senators	<u>PM</u> 4/28		Yes	No		Representatives	<u>PM</u> 4/28		Yes	No
Senator Holmberg	X		X			Rep. Carlson	X		X	
Senator Stenehjem	X		X			Rep. Delzer	X		X	
Senator Taylor	X		X			Rep. Glassheim	X		X	

Vote Count: Yes 6 No 0 Absent 0

Senate Carrier _____ House Carrier _____

LC Number _____ of amendment

LC Number _____ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

\$305 million from strategic investment fund

REPORT OF CONFERENCE COMMITTEE

SB 2015, as engrossed: Your conference committee (Sens. Holmberg, Stenehjem, Taylor and Reps. Carlson, Delzer, Glassheim) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1496-1501, adopt amendments as follows, and place SB 2015 on the Seventh order:

That the House recede from its amendments as printed on pages 1496-1501 of the Senate Journal and pages 1781-1785 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 2, after "budget" insert ", the superintendent of public instruction, the state board of higher education, and the department of human services; to create and enact a new section to chapter 48-01.2, a new subdivision to subsection 1 of section 54-10-14, and a new section to chapter 54-27 of the North Dakota Century Code and a new section to House Bill No. 1185, a new section to Senate Bill No. 2083, and a new subdivision to subsection 6 of section 1 of House Bill No. 1438, as approved by the sixty-second legislative assembly, relating to public improvement bids and contracts, entities required to be audited by the state auditor, a report on federal grants, an emergency declaration, and an employer's prohibition on firearm possession; to amend and reenact section 39-02-03, subdivision a of subsection 2 of section 54-03-20, and sections 54-16-03.1 and 54-35-02.3 of the North Dakota Century Code and sections 1 and 8 of House Bill No. 1014 and sections 1 and 8 of House Bill No. 1020, as approved by the sixty-second legislative assembly, relating to the powers and duties of the director of the department of transportation, housing reimbursement for members of the legislative assembly, petitions to the emergency commission, legislative management employee benefits programs committee, appropriations for the industrial commission, and appropriations to the branch research centers"

Page 1, line 3, remove "and"

Page 1, line 3, after "intent" insert "; to provide for legislative management reports; and to declare an emergency"

Page 1, replace line 17 with:

"Capital assets	2,420,298	6,369,845	8,790,143"
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Page 1, replace line 19 with:

"Prairie public broadcasting	1,337,138	(337,138)	1,000,000"
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Page 1, replace lines 22 through 24 with:

"Total all funds	\$50,937,875	(\$7,909,715)	\$43,028,160
Less estimated income	14,688,779	(4,174,318)	10,514,461
Total general fund	\$36,249,096	(\$3,735,397)	\$32,513,699"

Page 2, replace line 7 with:

"Prairie public broadcasting	\$2,016,200	\$0"
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Page 2, replace line 13 with:

"Capitol complex parking lot repairs	0	800,000"
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Page 2, replace line 15 with:

"Total all funds	\$6,681,735	\$3,650,000"
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Page 2, replace line 17 with:

"Total general fund	\$4,858,100	\$3,650,000"
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Page 2, after line 21, insert:

"SECTION 3. APPROPRIATION - TRANSFER - GENERAL FUND TO PUBLIC TRANSPORTATION FUND. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$100,000, which the office of management and budget shall transfer to the public transportation fund during the biennium beginning July 1, 2011, and ending June 30, 2013."

Page 2, line 22, replace "LANDS AND MINERALS TRUST" with "STRATEGIC INVESTMENT AND IMPROVEMENTS"

Page 2, line 24, replace "\$239,000,000" with "\$305,000,000"

Page 2, line 24, remove "lands and minerals"

Page 2, line 25, replace "trust" with "strategic investment and improvements"

Page 2, remove lines 26 through 31

Page 3, remove lines 1 and 2

Page 3, replace lines 18 through 30 with:

"SECTION 8. STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES. It is the intent of the sixty-second legislative assembly that 2011-13 biennium compensation adjustments for regular nonclassified state employees are to be based on documented performance and equity and are not to be the same percentage increase for each employee. Compensation adjustments for the 2011-13 biennium for regular classified state employees are to be based on guidelines developed by the office of management and budget in accordance with section 10 of this Act.

General increases based on legislative appropriations are to be given beginning with the month of July 2011, to be paid in August 2011, and beginning with the month of July 2012, to be paid in August 2012. Each agency appropriation is increased by three percent for the first year of the 2011-13 biennium and three percent for the second year of the 2011-13 biennium. Employees whose overall documented performance level does not meet standards are not eligible for any salary increase.

Probationary employees are not entitled to the general 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.

SECTION 9. EXTERNAL COMPETITIVENESS TARGET - CLASSIFIED STATE EMPLOYEE COMPENSATION ADJUSTMENT GUIDELINES - 2011-13 BIENNIUM. The office of management and budget shall set the external competitiveness target for the classified state employee compensation system based on the funding provided by the sixty-second legislative assembly for classified state employee compensation, for the biennium beginning July 1, 2011, and ending June 30, 2013. The office of management and budget shall develop guidelines for use by state agencies for providing compensation adjustments for regular classified state employees, for the biennium beginning July 1, 2011, and ending June 30, 2013. The guidelines must be developed in accordance with the compensation philosophy statement and compensation system initiatives included in House Bill No. 1031, as

approved by the sixty-second legislative assembly, and the external competitiveness target as determined by the office of management and budget.

SECTION 10. OFFICE OF MANAGEMENT AND BUDGET - REPORTS TO LEGISLATIVE MANAGEMENT - STATE EMPLOYEE COMPENSATION SYSTEM CHANGES. The office of management and budget shall provide periodic reports to the legislative management during the 2011-12 interim on the status of implementation and administration of the compensation philosophy statement and compensation system initiatives included in House Bill No. 1031, as approved by the sixty-second legislative assembly.

SECTION 11. INFORMATION TECHNOLOGY PROJECT PLANNING. Each executive branch state agency, excluding entities under the control of the state board of higher education, considering the development of an information technology project with an estimated cost of \$100,000 or more shall involve the information technology department in the planning and study of the project, for the biennium beginning July 1, 2011, and ending June 30, 2013. A state agency must receive a recommendation from the information technology department prior to proceeding with any study relating to the project.

SECTION 12. DRAFT APPROPRIATIONS ACTS - ALTERNATIVE FORMAT PILOT PROJECT - SIXTY-THIRD LEGISLATIVE ASSEMBLY - EXCEPTION. Notwithstanding subsection 7 of section 54-44.1-06, the draft of proposed appropriations acts submitted by the governor for introduction to the sixty-third legislative assembly for the highway patrol, protection and advocacy project, secretary of state, and public service commission must be at the same level of ongoing funding as provided by the sixty-second legislative assembly. The governor shall attach a proposed draft amendment to the draft appropriations acts for these agencies making the funding changes necessary to provide for the appropriations as recommended by the governor, for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 13. DEPARTMENT OF TRANSPORTATION MOTOR VEHICLE BRANCH OFFICE AUTHORIZATION. Notwithstanding any other provision of law, the department of transportation is authorized to design and procure or construct additional office space, including modular buildings or onsite construction, for use as a motor vehicle branch office, for the period beginning with the effective date of this Act and ending June 30, 2013.

SECTION 14. 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 \$1,474,362, or so much of the sum as may be necessary, to the department of human services for the purpose of completing the medicaid management information system replacement project, for the biennium beginning July 1, 2011, and ending June 30, 2013. This funding is considered to be one-time funding for the 2011-13 biennium and is not to be part of the department's base budget for the 2013-15 biennium. The department shall report to the appropriations committees of the sixty-third legislative assembly on the use of this one-time funding.

SECTION 15. AMENDMENT. Section 1 of House Bill No. 1014, as approved by the sixty-second 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 state industrial commission and agencies under its control for the purpose of defraying the expenses of the state industrial commission and agencies under its control, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

Subdivision 1.

	INDUSTRIAL COMMISSION		
	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$9,321,995	\$2,889,625	\$12,211,620
Operating expenses	2,646,426	847,318	3,493,744
Capital assets	49,000	(49,000)	0
Grants - Lignite research and development	19,971,300	0	19,971,300
Grants - Bond payments	27,441,865	(2,052,132)	25,389,733
Mineral resources contingency	0	743,972	743,972
Carbon dioxide storage facility administrative fund	0	532,000	532,000
Renewable energy development	0	1,500,000	1,500,000
Total all funds	\$59,430,586	\$4,411,783	\$63,842,369
Less estimated income	49,308,484	(1,797,756)	47,510,728
Total general fund	\$10,122,102	\$6,209,539	\$16,331,641
Less estimated income	49,308,484	(2,541,728)	46,766,756
Total general fund	\$10,122,102	\$6,953,511	\$17,075,613
Full-time equivalent positions	61.06	13.00	74.06

Subdivision 2.

	BANK OF NORTH DAKOTA - OPERATIONS		
	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Bank of North Dakota operations	\$41,762,274	\$3,824,881	\$45,587,155
Capital assets	1,455,000	(189,000)	1,266,000
Total special funds	\$43,217,274	\$3,635,881	\$46,853,155
Full-time equivalent positions	176.50	0.00	176.50

Subdivision 3.

	BANK OF NORTH DAKOTA - ECONOMIC DEVELOPMENT		
	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Partnership in assisting community expansion fund	\$8,000,000	(\$2,000,000)	\$6,000,000
Agriculture partnership in assisting community expansion fund	1,400,000	(400,000)	1,000,000
Beginning farmer revolving loan fund	950,000	450,000	1,400,000
Biofuels partnership in assisting community expansion fund	0	1,000,000	1,000,000
Total all funds	\$10,350,000	(\$950,000)	\$9,400,000
Less beginning farmer revolving loan fund	<u>950,000</u>	<u>(950,000)</u>	<u>0</u>
Total general fund	\$9,400,000	\$0	\$9,400,000

Subdivision 4.

	MILL AND ELEVATOR ASSOCIATION		
	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$22,599,324	\$3,418,684	\$26,018,008
Operating expenses	16,982,918	3,460,951	20,443,869
Contingencies	325,000	75,000	400,000
Agriculture promotion	150,000	60,000	210,000
Total from mill and elevator fund	\$40,057,242	\$7,014,635	\$47,071,877
Full-time equivalent positions	131.00	0.00	131.00

Subdivision 5.

HOUSING FINANCE AGENCY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$5,981,828	\$534,449	\$6,516,277
Operating expenses	8,677,581	(3,562,732)	5,114,849
Grants	26,224,360	634,560	26,858,920
Housing finance agency contingencies	<u>100,000</u>	<u>0</u>	<u>100,000</u>
Total special funds	\$40,983,769	(\$2,393,723)	\$38,590,046
Full-time equivalent positions	46.00	0.00	46.00

Subdivision 6.

BILL TOTAL			
	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$10,522,102	\$6,209,539	\$26,731,641
Grand total special funds	174,516,769	5,509,037	180,025,806
Grand total general fund	\$19,522,102	\$6,953,511	\$26,475,613
Grand total special funds	174,516,769	4,765,065	179,281,834
Grand total all funds	\$194,038,871	\$11,718,576	\$205,757,447

SECTION 16. AMENDMENT. Section 8 of House Bill No. 1014, as approved by the sixty-second legislative assembly, is amended and reenacted as follows:

SECTION 8. CONTINGENT DEPARTMENT OF MINERAL RESOURCES FUNDING—PERMANENT OIL TAX TRUST FUND - EMERGENCY COMMISSION APPROVAL.

Of the funds appropriated in the mineral resources contingency line item in subdivision 1 of section 1 of this Act, \$743,972 is from the ~~permanent oil tax trust~~ general fund. If funds are required due to the drilling rig count exceeding one hundred eighty for at least thirty consecutive days, the oil and gas division may spend up to \$192,393 of these funds and hire one full-time equivalent position, upon emergency commission approval, and further if funds are required due to the drilling rig count exceeding one hundred ninety for at least thirty consecutive days, the oil and gas division may spend up to an additional \$192,393 of these funds and hire one full-time equivalent position, upon emergency commission approval. If funds are required due to the total number of oil wells in the state exceeding nine thousand three hundred, the oil and gas division may spend up to \$359,186 and hire two full-time equivalent positions, upon emergency commission approval.

SECTION 17. AMENDMENT. Section 1 of House Bill No. 1020, as approved by the sixty-second 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 North Dakota state university extension service, the northern crops institute, the upper great plains transportation institute, the main research center, branch research centers, and agronomy seed farm for the purpose of defraying the expenses of the North Dakota state university extension service, the northern crops institute, the upper great plains transportation institute, the main research center, branch research centers, and agronomy seed farm, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

Subdivision 1.

NORTH DAKOTA STATE UNIVERSITY EXTENSION SERVICE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Extension service	\$47,091,489	(\$64,835)	\$47,026,654
Soil conservation committee	837,800	150,000	987,800
Total all funds	\$47,929,289	\$85,165	\$48,014,454
Less estimated income	<u>25,928,877</u>	<u>(2,800,067)</u>	<u>23,128,810</u>
Total general fund	\$22,000,412	\$2,885,232	\$24,885,644

Full-time equivalent positions 255.75 1.00 256.75

Subdivision 2.

NORTHERN CROPS INSTITUTE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Total all funds	\$3,037,486	\$309,821	\$3,347,307
Less estimated income	<u>1,598,265</u>	<u>56,460</u>	<u>1,654,725</u>
Total general fund	\$1,439,221	\$253,361	\$1,692,582
Full-time equivalent positions	11.00	0.00	11.00

Subdivision 3.

UPPER GREAT PLAINS TRANSPORTATION INSTITUTE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Total all funds	\$23,326,992	\$742,969	\$24,069,961
Less estimated income	<u>21,737,199</u>	<u>413,134</u>	<u>22,150,333</u>
Total general fund	\$1,589,793	\$329,835	\$1,919,628
Full-time equivalent positions	52.30	0.00	52.30

Subdivision 4.

MAIN RESEARCH CENTER

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Main research center	\$87,530,418	\$11,059,555	\$98,589,973
Deferred maintenance	0	0	0
Grape and wine program committee	0	0	0
Federal fiscal stimulus 2009	<u>0</u>	<u>0</u>	<u>0</u>
Total all funds	\$87,530,418	\$11,059,555	\$98,589,973
Less estimated income	<u>45,013,267</u>	<u>(879,692)</u>	<u>44,133,575</u>
Total general fund	\$42,517,151	\$11,939,247	\$54,456,398
Full-time equivalent positions	329.26	4.00	333.26

Subdivision 5.

RESEARCH CENTERS

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Dickinson research center	\$5,012,580	\$1,375,982	\$6,388,562
Central grasslands research center	2,560,602	305,245	2,865,847
Hettinger research center	2,995,155	378,020	3,373,175
Langdon research center	2,091,572	287,235	2,378,807
North central research center	3,973,952	425,869	4,399,821
Williston research center	2,922,183	487,906	3,410,089
Carrington research center	<u>6,727,962</u>	<u>398,526</u>	<u>7,126,488</u>
Total all funds	\$26,284,006	\$3,658,783	\$29,942,789
Less estimated income	<u>13,916,816</u>	<u>1,880,765</u>	<u>15,797,581</u>
Total general fund	<u>12,367,190</u>	<u>1,778,018</u>	<u>14,145,208</u>
Less estimated income	<u>13,916,816</u>	<u>1,080,765</u>	<u>14,997,581</u>
Total general fund	\$12,367,190	\$2,578,018	\$14,945,208
Full-time equivalent positions	95.49	2.00	97.49

Subdivision 6.

AGRONOMY SEED FARM

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Agronomy seed farm	\$1,275,238	\$159,930	\$1,435,168
Total special funds	\$1,275,238	\$159,930	\$1,435,168
Full-time equivalent positions	3.00	0.00	3.00

Subdivision 7.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$79,913,767	\$17,185,693	\$97,099,460
Grand total special funds	109,469,662	(1,169,470)	108,300,192
Grand total general fund	\$79,913,767	\$17,985,693	\$97,899,460
Grand total special funds	109,469,662	(1,969,470)	107,500,192
Grand total all funds	\$189,383,429	\$16,016,223	\$205,399,652

SECTION 18. AMENDMENT. Section 8 of House Bill No. 1020, as approved by the sixty-second legislative assembly, is amended and reenacted as follows:

SECTION 8. PERMANENT OIL TAX TRUST FUND—DICKINSON RESEARCH CENTER - OPERATING POOL FUNDING. The estimated ~~income~~ general fund line item in subdivision 5 of section 1 of this Act includes \$800,000 ~~from the permanent oil tax trust fund.~~ This of operating pool funding is available ~~only~~ for defraying the costs of operations of the Dickinson research center, for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 19. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$211,264, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of allocation of mill levy reduction grants to school districts under chapter 57-64, for the period beginning with the effective date of this Act and ending June 30, 2011.

SECTION 20. APPROPRIATION - STATE BOARD OF HIGHER EDUCATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$150,000, or so much of the sum as may be necessary, to the state board of higher education for the purpose of supporting educational leadership programs at the university of North Dakota and North Dakota state university, for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 21. A new section to House Bill No. 1185, as approved by the sixty-second legislative assembly, is created and enacted as follows:

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

SECTION 22. A new subdivision to subsection 6 of section 1 of House Bill No. 1438, as enacted by the sixty-second legislative assembly, is created and enacted as follows:

The state hospital.

SECTION 23. A new section to Senate Bill No. 2083, as approved by the sixty-second legislative assembly, is created and enacted as follows:

SECTION 2. EMERGENCY. This Act is declared to be an emergency measure.

SECTION 24. AMENDMENT. Section 39-02-03 of the North Dakota Century Code is amended and reenacted as follows:

39-02-03. Powers and duties of director and department.

The director, subject to the approval of the governor, may adopt and enforce such administrative rules and designate such agencies and establish such branch offices as may be necessary to carry out the laws applicable to the director's office and department. The director shall provide suitable forms for applications, registration cards, license number plates, and all other forms requisite for the

operation of the director's office and department, and shall prepay all transportation charges thereon. In addition, the director shall provide for a uniform maximum fee schedule for the various services provided by the branch offices. Any branch office may establish a different fee schedule if the schedule does not contain a fee that exceeds a maximum fee established by the director and is approved by the director. All branch office managers must be bonded. The department may lease or provide office space or other overhead costs as necessary to independent motor vehicle branch managers. All rents collected under this section must be deposited in the state highway fund. The department and the officers thereof shall enforce the provisions of all laws pertaining to the director and the department.

SECTION 25. A new section to chapter 48-01.2 of the North Dakota Century Code is created and enacted as follows:

Bids less than authorized project amount - Additional expense approval - Budget section report.

Upon accepting a bid under this chapter, if the accepted bid is less than all funds dedicated to the public improvement, the governing body of an entity that has received an appropriation of moneys from the general fund of the state treasury for the public improvement shall immediately notify the office of management and budget. Any change order or expenses exceeding the bid amount must be submitted to the office of management and budget for approval. The office of management and budget shall report all approved change orders or additional expenses to the budget section of the legislative management.

SECTION 26. AMENDMENT. Subdivision a of subsection 2 of section 54-03-20 of the North Dakota Century Code is amended and reenacted as follows:

- a. Each member of the legislative assembly is entitled to receive reimbursement for lodging, which may not exceed per calendar month the amount established under this subdivision by the director of the office of management and budget for lodging in state and which may not exceed the rate provided in section 44-08-04 for each calendar day during the period of any organizational, special, or regular session. On August first of each even-numbered year, the director of the office of management and budget shall set the maximum monthly reimbursement for the subsequent two-year period at an amount equal to thirty times ~~fifty-five~~ sixty-five percent of the daily lodging reimbursement in effect on that date as provided under subdivision d of subsection 2 of section 44-08-04.

SECTION 27. A new subdivision to subsection 1 of section 54-10-14 of the North Dakota Century Code as amended by section 1 of House Bill No. 1145, as approved by the sixty-second legislative assembly, is created and enacted as follows:

Housing authorities not required to be audited by the federal department of housing and urban development.

SECTION 28. AMENDMENT. Section 54-16-03.1 of the North Dakota Century Code is amended and reenacted as follows:

54-16-03.1. Submission of petition to emergency commission.

When an emergency exists, a state officer may present to the emergency commission an itemized petition requesting approval to transfer money and spending authority between funds or line items pursuant to section 54-16-04; accept and expend federal funds pursuant to section 54-16-04.1; accept and expend state contingency funds pursuant to section 54-16-09; accept and expend other funds pursuant to section 54-16-04.2; or recommend full-time equivalent positions pursuant

to section 54-16-04.3. Any petition to the emergency commission by a state officer must be approved or recommended by the emergency commission prior to submission for consideration by the budget section.

SECTION 29. A new section to chapter 54-27 of the North Dakota Century Code is created and enacted as follows:

Report on federal grants by state agency.

Each state agency, excluding entities under the control of the state board of higher education, shall report to the office of management and budget before applying for a federal grant for which the agency may receive estimated funding of twenty-five thousand dollars or more. The report must include the purpose of the grant; the potential amount of the grant; any additional employees that may be required because of the grant; the time period covered by the grant; and grant requirements, including state matching requirements or maintenance of effort. The state agency shall provide updates on the status of the grant application as required by the office of management and budget. At each meeting of the budget section of the legislative management, the office of management and budget shall report to the budget section on the reports received from state agencies under this section.

SECTION 30. AMENDMENT. Section 54-35-02.3 of the North Dakota Century Code is amended and reenacted as follows:

54-35-02.3. Employee benefits programs committee - Appointment - Selection of chairman.

The legislative management, during each biennium, shall appoint an employee benefits programs committee in the same manner as the legislative management appoints other interim committees. The legislative management shall appoint ~~five~~^{seven} members of the house of representatives and ~~four~~^{six} members of the senate to the committee. The legislative management shall designate the chairman of the committee. The committee shall operate according to the statutes and procedure governing the operation of other legislative management interim committees.

SECTION 31. DEPARTMENT OF COMMERCE - TOURISM INFRASTRUCTURE GRANTS - EMERGENCY COMMISSION AND BUDGET SECTION APPROVAL. Funding provided to the department of commerce for tourism infrastructure grants in Senate Bill No. 2057, as approved by the sixty-second legislative assembly, may be awarded and spent only upon emergency commission and budget section approval, for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 32. EMERGENCY. Sections 13, 19, 21, 23, and 24 of this Act are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2015 - Summary of Conference Committee Action

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Office of Management and Budget						
Total all funds	\$42,965,298	\$44,465,298	(\$1,337,138)	\$43,128,160	\$42,828,160	\$300,000
Less estimated income	10,914,461	10,914,461	(400,000)	10,514,461	10,514,461	0
General fund	\$32,050,837	\$33,550,837	(\$937,138)	\$32,613,699	\$32,313,699	\$300,000
University System Office						

Total all funds	\$0	\$0	\$150,000	\$150,000	\$0	\$150,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$150,000	\$150,000	\$0	\$150,000
Department of Human Services						
Total all funds	\$0	\$0	\$1,474,362	\$1,474,362	\$0	\$1,474,362
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$1,474,362	\$1,474,362	\$0	\$1,474,362
Bill total						
Total all funds	\$42,965,298	\$44,465,298	\$287,224	\$44,752,522	\$42,828,160	\$1,924,362
Less estimated income	10,914,461	10,914,461	(400,000)	10,514,461	10,514,461	0
General fund	\$32,050,837	\$33,550,837	\$687,224	\$34,238,061	\$32,313,699	\$1,924,362

Senate Bill No. 2015 - Office of Management and Budget - Conference Committee Action

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$18,517,763	\$18,517,763		\$18,517,763	\$18,517,763	
Operating expenses	13,765,254	13,765,254		13,765,254	13,765,254	
Capital assets	8,390,143	9,390,143	(600,000)	8,790,143	8,490,143	300,000
Grants	55,000	55,000		55,000	55,000	
Emergency Commission contingency fund	700,000	700,000		700,000	700,000	
Prairie Public Broadcasting	1,337,138	1,837,138	(837,138)	1,000,000	1,000,000	
State student internship program	200,000	200,000		200,000	200,000	
Transfer to public transportation fund			100,000	100,000	100,000	
Total all funds	\$42,965,298	\$44,465,298	(\$1,337,138)	\$43,128,160	\$42,828,160	\$300,000
Less estimated income	10,914,461	10,914,461	(400,000)	10,514,461	10,514,461	0
General fund	\$32,050,837	\$33,550,837	(\$937,138)	\$32,613,699	\$32,313,699	\$300,000
FTE	131.50	131.50	0.00	131.50	131.50	0.00

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

	Reduces Funding for Prairie Public Broadcasting ¹	Removes Funding for Capitol Grounds Signage Projects ²	Reduces Funding for Parking Lot Repairs ³	Adds Transfer to Public Transportation Fund ⁴	Total Conference Committee Changes
Salaries and wages					
Operating expenses					
Capital assets		(400,000)	(200,000)		(600,000)
Grants					
Emergency Commission contingency fund					
Prairie Public Broadcasting	(837,138)				(837,138)
State student internship program					
Transfer to public transportation fund				100,000	100,000
Total all funds	(\$837,138)	(\$400,000)	(\$200,000)	\$100,000	(\$1,337,138)
Less estimated income	0	(400,000)	0	0	(400,000)
General fund	(\$837,138)	\$0	(\$200,000)	\$100,000	(\$937,138)
FTE	0.00	0.00	0.00	0.00	0.00

¹ Funding from the general fund for Prairie Public Broadcasting is reduced by \$837,138 to provide total funding of \$1,000,000. This is the same level of funding as provided in the House version. The executive recommendation provided \$1,337,138 of funding for Prairie Public Broadcasting, and the Senate added an additional \$500,000 of one-time funding.

² Funding from the Capitol building fund for exterior signage at the Capitol complex is removed. The House also removed this funding.

³ Funding for Capitol complex parking lot repairs is reduced by \$200,000 to provide total funding of \$800,000. The Senate added a total of \$1,000,000 from the general fund for Capitol complex parking lot repairs and the House reduced funding for parking lot repairs to \$500,000.

⁴ A section is added to provide a transfer of \$100,000 from the general fund to the public transportation fund during the 2011-13 biennium. The House also added this transfer.

Senate Bill No. 2015 - University System Office - Conference Committee Action

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Educational leadership programs			\$150,000	\$150,000		\$150,000
Total all funds	\$0	\$0	\$150,000	\$150,000	\$0	\$150,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$150,000	\$150,000	\$0	\$150,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department No. 215 - University System Office - Detail of Conference Committee Changes

	Adds Funding for Educational Leadership Programs ¹	Total Conference Committee Changes
Educational leadership programs	\$150,000	\$150,000
Total all funds	\$150,000	\$150,000
Less estimated income	0	0
General fund	\$150,000	\$150,000
FTE	0.00	0.00

¹ This amendment provides \$150,000 from the general fund to the State Board of Higher Education for educational leadership programs at the University of North Dakota and North Dakota State University.

Senate Bill No. 2015 - Department of Human Services - Conference Committee Action

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Medicaid management information system			\$1,474,362	\$1,474,362		\$1,474,362
Total all funds	\$0	\$0	\$1,474,362	\$1,474,362	\$0	\$1,474,362
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$1,474,362	\$1,474,362	\$0	\$1,474,362
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department No. 325 - Department of Human Services - Detail of Conference Committee Changes

	Provides MMIS Project ¹	Total Conference Committee Changes
Medicaid management information system	\$1,474,362	\$1,474,362
Total all funds	\$1,474,362	\$1,474,362
Less estimated income	0	0
General fund	\$1,474,362	\$1,474,362
FTE	0.00	0.00

¹ Funding is provided for the completion of the Department of Human Services' Medicaid management information system (MMIS) project. The funding was originally appropriated from the permanent oil tax trust fund. Due to the elimination of the permanent oil tax trust fund in House Bill No. 1451, funding is changed to the general fund.

Senate Bill No. 2015 - Other Changes - Conference Committee Action

This amendment also:

- Adjusts Section 2 to reflect the removal of one-time funding for Prairie Public Broadcasting and the reduction of funding for Capitol complex parking lot repairs.
- Removes Section 5 which transfers \$388,580,000 from the permanent oil tax trust fund to the property tax relief sustainability fund. The House also removed this section.
- Adds three sections to provide that classified state employee compensation adjustments are based on a competitiveness target set by the Office of Management and Budget in accordance with the compensation philosophy statement and compensation initiatives included in House Bill No. 1031. The House provided intent that each state agency receive funding equal to a 3 percent state employee salary increase each year of the 2011-13 biennium, the same as the executive recommendation. The Senate included intent that funding is provided equal to a salary increase of 4 percent the first year of the biennium and 1 percent the second year of the biennium.
- Adds a section regarding Information Technology Department review of proposed state agency information technology projects with an estimated cost of \$100,000 or more. The House also added this section.
- Adds a section to require certain draft appropriations acts to be submitted to the 63rd Legislative Assembly in an alternative format. The House also added this section.
- Enacts two new sections to the North Dakota Century Code relating to public improvement project bids and reports on federal grants. The House also added this section.
- Amends Section 54-16-03.1 relating to the action of the Emergency Commission. The House also amended this section.
- Amends Section 54-35-02.3 relating to the membership of the Employee Benefits Programs Committee. The House also amended this section.
- Amends Section 54-03-20 relating to lodging reimbursement for members of the Legislative Assembly.
- Adds a section to create a new subdivision to subsection 6 of a new unnumbered section added to Chapter 52.1-02 in 2011 House Bill No. 1438 relating to an

employer's prohibition of firearms.

- Adds a section to add a new subdivision to subsection 1 of section 54-10-14 as amended in House Bill No. 1145 regarding auditing provisions of political subdivisions and other entities.
- Adds sections to declare House Bill No. 1185 and Senate Bill No. 2083 emergency measures.
- Adds a section regarding Department of Transportation motor vehicle branch office buildings, including the lease of department office space to independent motor vehicle branch managers.
- Amends House Bill Nos. 1014 and 1020 to change the funding source of certain items from the permanent oil tax trust fund to the general fund.
- Provides a 2009-11 biennium appropriation to the Superintendent of Public Instruction for mill levy reduction grants for school districts.
- Adds a section requiring Emergency Commission and Budget Section approval of Department of Commerce tourism infrastructure grants.

Engrossed SB 2015 was placed on the Seventh order of business on the calendar.

2011 TESTIMONY

SB 2015

Office of Management and Budget

Testimony on Senate Bill 2015



Senate Appropriations Committee

January 21, 2011

Testimony on SB 2015
Pam Sharp, Director
Office of Management and Budget
January 21, 2011

Good morning 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 proposed budget for OMB and will review some of the specific sections in SB 2015. Following the division directors' testimony, Mr. John Harris, from Prairie Public Television will provide his testimony.

FTEs

OMB currently has 132.5 legislatively authorized FTEs. We are requesting 131.5 FTEs for the 2011-13 biennium. Within the request of 131.5 FTEs, we have internally eliminated two vacant FTE positions in the Central Services Division and reallocated those two FTEs to Facility Management to be reclassified to a custodian and a systems mechanic II for the Heritage Center expansion. That eliminates the need for us to ask for two new FTEs that will be required once the expansion of the Heritage is completed. In addition, we have eliminated a vacant FTE position in the Fiscal Management Division.

2009-11 Appropriation

One of the items we were asked to focus on is OMB's current appropriation and estimated spending. OMB's current general fund appropriation authority is \$32,197,196; and we estimate we will spend \$30,111,345. The general fund variances are as follows:

Salaries and Benefits	\$ 285,000	Vacant FTE, use of ARRA funds, turnover
IT Data Processing	765,000	needed for carryover to maintain state systems
Capital Assets	1,000,000	North parking lot won't be completed yet

Special fund variances of about \$1.3 million are as follows:

Salaries and Benefits	\$ 500,000	Remaining unemployment \$ and vacant FTEs
Operating	490,000	Special fund operations – volume of business
Federal Stimulus	269,494	Admin. costs related to ARRA and searchable data base costs less than anticipated

2009-11 One-time Funding Status

OMB received \$2,850,000 of one time funding for capitol restoration and building repairs. All of this will be spent except for \$1,000,000 for the north parking lot, which is still in the schematic design phase.

OMB also received \$1,000,000 for PeopleSoft modules. Currently \$450,000 has been spent on Enterprise Learning Management and Business Intelligence and \$350,000 will be spent on Candidate Gateway.

Prairie Public received \$2,016,100 for digital conversion and all of that has been spent. In addition, OMB will spend about \$420,000 of the nearly \$690,000 in federal stimulus funding for a searchable data base and administrative costs related to tracking stimulus dollars for the state.

2011-13 Budget Request – General Fund

Salary and Benefits

Salary compensation package	\$ 748,015
Continuation of 2009-11 5% increase	261,689

One-time Funding request

Temp Salary for ND 125 th Anniversary Coordinator	\$ 50,000
Capitol Envelope Project	2,800,000

2011-13 Budget Request – Special Funds

Salary and Benefits

Salary compensation package	\$ 147,416
Continuation of 2009-11 5% increase	55,637

Capitol Restoration projects – funded

From Capitol Building Fund	\$ 3,000,000
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I would like to highlight some sections of the bill before moving on to division directors' testimony.

Section 3 transfers \$239,000,000 from the lands and minerals trust fund to the general fund.

Section 4 transfers \$232,000,000 from the permanent oil tax trust fund to the general fund. This transfer is the equivalent of the \$140,000,000 transfer to the general fund in the current biennium.

Section 5 transfers \$388,580,000 from the permanent oil tax trust fund to the property tax relief sustainability fund. \$46,800,000 of that amount is be added to the current balance of \$295,000,000 to fund property tax for the 2011-13 biennium. The remaining amount of \$341,800,000 is to provide for property tax relief for the 2013-15 biennium.

Section 6 transfers \$370,600,000 from the permanent oil tax trust fund to the highway fund. Of this amount, \$228,600,000 is for state road projects in oil country and \$142,000,000 is for county and township road projects.

Section 7 transfers \$60,000,000 from the Bank of North Dakota to the general fund.

Section 8 provides for 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 keep the systems going.

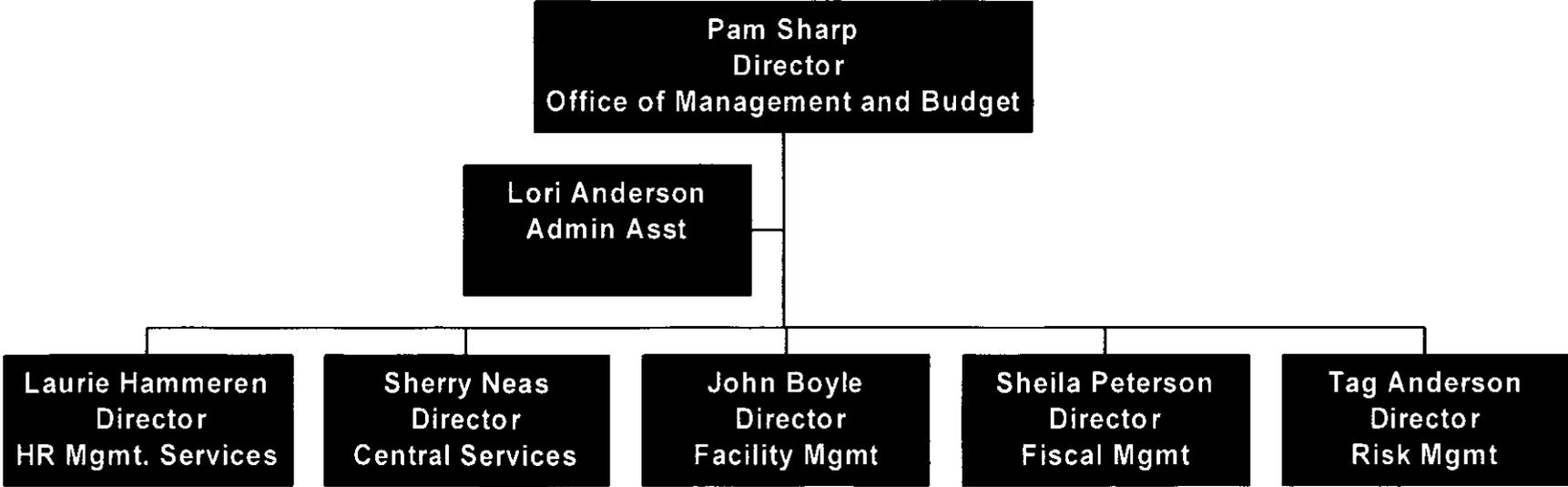
Section 9 deals with state memberships, an appropriation to the boys and girls clubs (4-H), unemployment insurance and an appropriation for the capitol grounds planning commission. Statewide memberships total \$611,000, which is the same amount as last biennium.

Section 10 allows HRMS to transfer appropriation authority to eligible agencies for the state student internship program. This is a \$200,000 appropriation. In the current biennium, the same amount was appropriated and all the funds will be spent before the end of the biennium. Typically, up to half of the funding required for a student internship in an agency could be funded from this program.

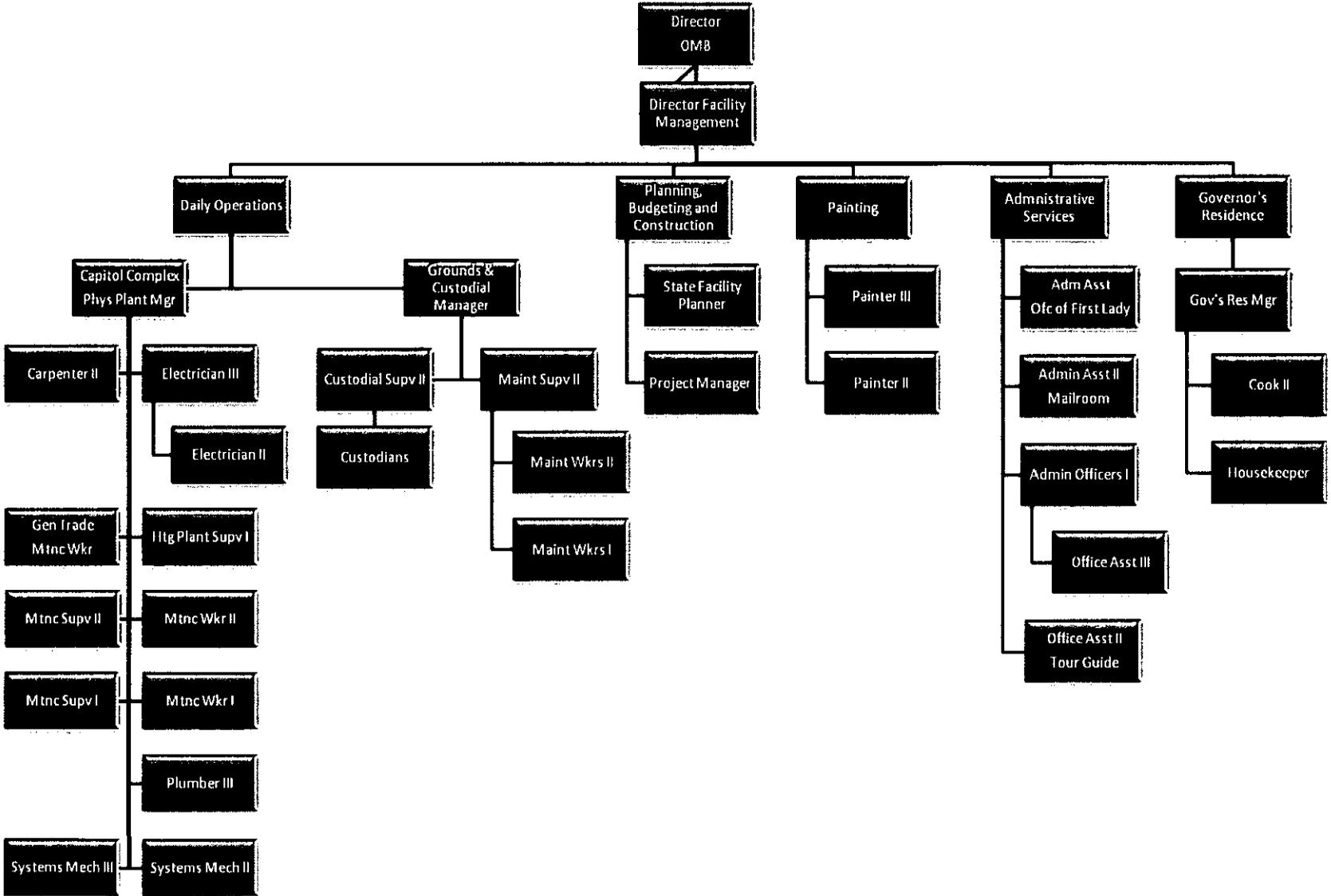
Section 11 is the compensation adjustments for state employees.

Section 12 is an emergency clause for Section 6 which relates to the transfer of funds from the permanent oil tax trust fund to the highway fund for infrastructure needs in oil country. This will allow the state DOT and counties to begin planning for the infrastructure in the current biennium and expedite the road reconstruction.

Office of Management and Budget Organizational Chart



**Office of Management and Budget
 Facility Management Division
 January 2011**



Testimony on SB 2015
John Boyle, Director
OMB Facility Management Division
January 21, 2011

Good morning 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 61 full-time employees. 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 \$18,727,381 in spending authority for the next biennium. This equates to \$15,727,381 in the general fund and \$3,000,000 in special funds. The amount requested from the general fund is a five percent increase from the budgeted amount requested two years ago.

This five percent increase is attributable to the recommended salary increases and the additional expense associated with the heritage center expansion. Our request includes two full-time employees and temporary employees for \$153,744 and operating expenses for \$234,150 for the second half of the biennium. The two full-time employees were redirected from other divisions within OMB eliminating the need to request new FTEs.

Fifty-six 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-four percent of the budget accounts for our extraordinary repairs, maintenance and equipment. A few of the items within this category include the Capitol Envelope Restoration and Cleaning, Legislative Chambers Brass and Wood Restoration and Remodeling of the Capitol's South Entrance.

The Capitol Envelope Restoration project includes the replacement, repair or reattachment of identified limestone panels on the Capitol and the cleaning of all the limestone. The \$2.8 million estimate was obtained after a two-week long investigation of the current condition of the limestone. If approved, this project would commence this summer.

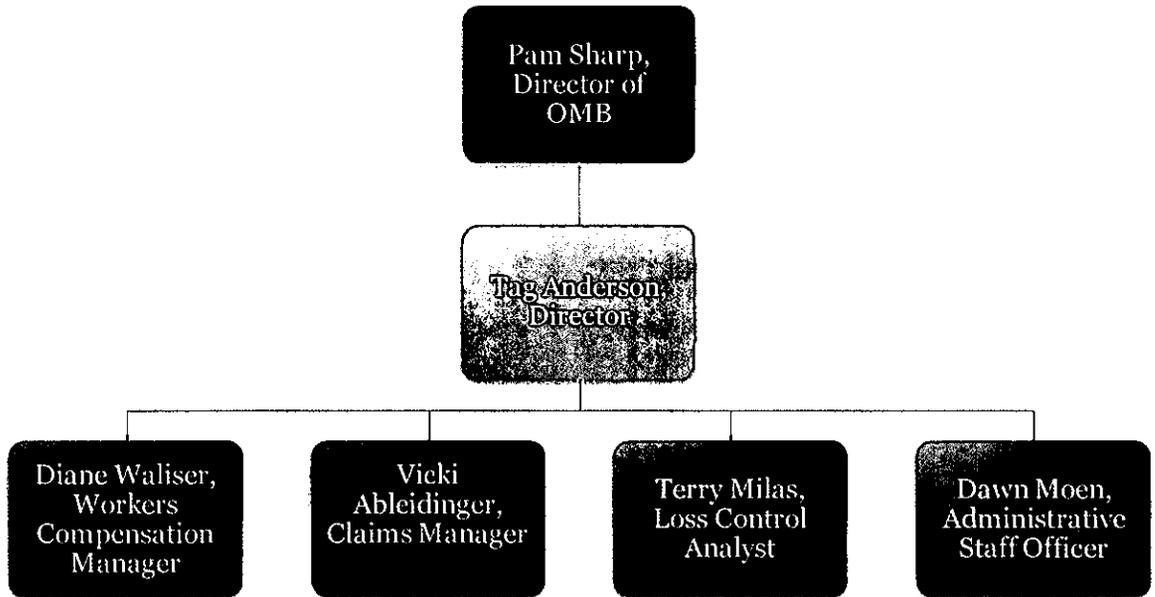
The capitol grounds planning commission has approved and prioritized \$3 million of projects out of the Capitol Building Trust fund. These projects include new Entrance Signs, the Legislative Chamber Brass and Wood Restoration, the Remodeling of the

Capitol's South Entrance and the Remodeling of the Cafeteria Corridor. 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.

Office of Management and Budget
Risk Management Division
January 2011



Testimony on SB 2015
Tag Anderson, Director
OMB Risk Management Division
January 21, 2011

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.

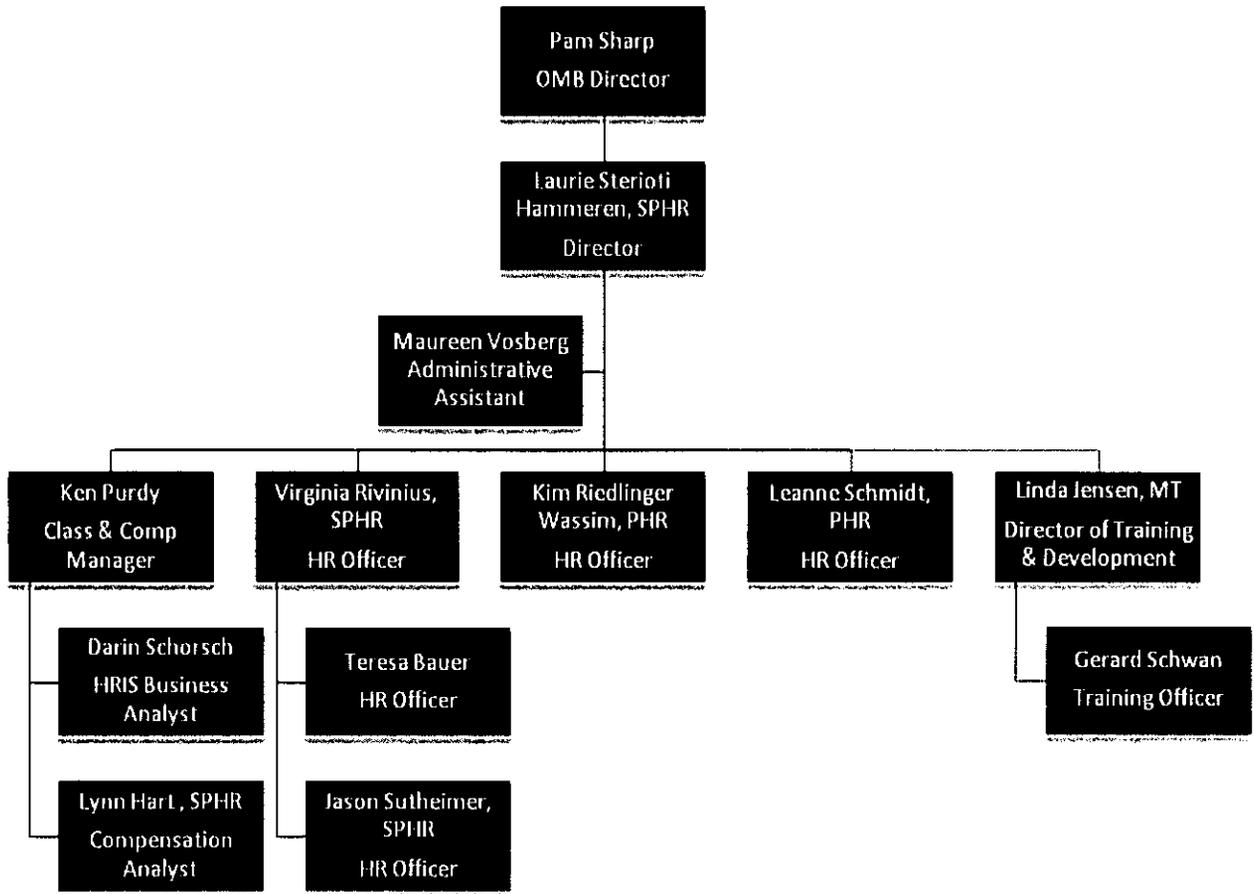
On the tort liability side, the Division administers all claims and lawsuits filed against the State and state employees through the Risk Management Fund. Contribution rates for the Fund are determined by an actuarial review which includes a review of each State entity's loss history. State entities 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 2009 legislative appropriation was based upon \$1,332,470 for the Division's budget. Our requested budget for 2011-2013 biennium is \$1,437, 289 all in special funds.

Thank you.

**Office of Management and Budget
Human Resource Management Services Division
January 2011**



Testimony SB 2015
Laurie Sterioti Hammeren, Director
OMB Human Resource Management Services
January 21, 2011

Good morning, Chairman Holmberg and members of the Senate Appropriations Committee. I am Laurie Sterioti Hammeren, Director of Human Resource Management Services, 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 7,141 classified employees.

Human Resource Management Services has 12 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
- 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.

In 2010, the Hay Group, a prominent consulting company, conducted a comprehensive evaluation of the State of North Dakota's Classified Employee Compensation System. This evaluation was done at the request of the Legislature's interim Government Services Committee. On October 27, 2010, a final report on the evaluation project and an implementation plan was presented to the interim Government Services Committee. This "final" report, however, was hardly the end of the process, but rather the beginning of a second phase. Subsequently, the Legislative Management Committee voted to fund implementation of the recommendations and asked HRMS to work with the Hay Group to implement the recommendations by April 2011.

The general conclusion of the study was that the compensation system is fundamentally sound, but the final report also included several recommendations for improvement. The key recommendations presented by the Hay Group and adopted by the Government Services Committee and the actions that are underway as a result of these recommendations are:

- Develop and adopt a State Compensation Philosophy. This will define an overall direction and parameters for future compensation decisions. The interim

Government Services Committee drafted this Compensation Philosophy statement and introduced it as legislation in HB 1031.

- Adopt the widely used Hay Guide-Chart Profile Method of Job Evaluation, which will lead to an appropriate grade allocation for all classifications, decrease the number of classification requests and ease classification and pay compression.

HRMS has used a job evaluation system since 1982 that is similar to the Hay methodology, but adopting the Hay Guide-Chart Method represents a significant update. This change will result in a state-of-the-art, extensively validated job evaluation system consistently measuring the content of job classes in state government.

To this end, a 15 member team, composed of both HRMS staff and human resources representatives from a number of agencies, has been formed. HRMS staff has already received training on the Job Evaluation Manager (JEM) software which supports the process. The team will receive training in the Hay Guide-Chart job evaluation method, will validate the evaluation of approximately 200 ND classifications that are considered “benchmarks” and will then evaluate the remaining 700 current ND classifications. This process is to be completed by early March.

- Conduct a custom salary survey based on the definition of the market in the State’s Compensation Philosophy. This will provide credible and defensible data for use in constructing appropriate salary ranges, setting appropriate salary range midpoints, and in deciding how many distinct salary structures should exist.

The Hay Group is currently conducting this salary survey which is expected to be completed by mid-March. The use of a third party, such as the Hay Group, to conduct such a survey is recognized as a best practice because the Hay Group can ensure that the confidentiality of the data collected is maintained. The Hay Group also has access to multiple sources of data, which will greatly enhance the assessment of the market.

It is likely that this analysis will result in a recommendation by the Hay Group of multiple pay structures to more accurately reflect occupational requirements, employment market pay levels, and actual pay practices of agencies.

The implementation of all recommendations is scheduled for April 2011. HRMS is confident that implementation of the recommendations will enhance consistency and equity within the State’s system. More detail on this project is available on the HRMS website (www.nd.gov/hrms/managers/compstudy.html).

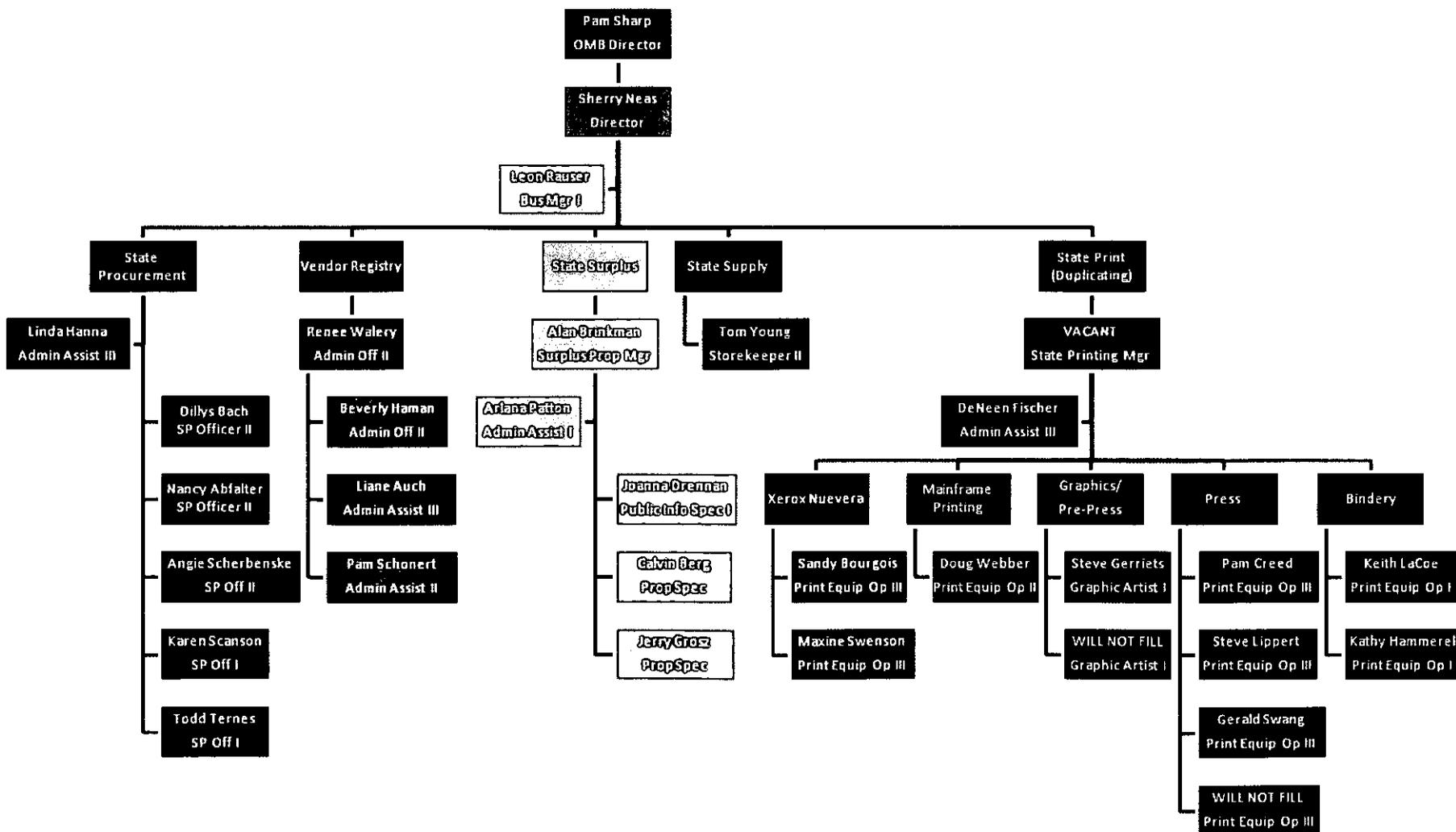
Our budget request for this next biennium is \$2,189,256 from the general fund. Ninety-one percent of HRMS' program costs are salaries for 12 FTE. Operating expenses account for nine percent of HRMS' program costs. All of the division's services require human capital. Operating expenses focus on the services provided to agencies through printing, our website, and maintaining and developing staff expertise, as well as supplies and materials.

Changes for the 2011-13 Biennium include wages and salaries that reflect the prior biennium's legislatively authorized salary increases and the 2011 compensation package. In addition, our operating budget includes \$54,000 for maintenance of the Job Evaluation Manager (JEM) software which supports the Hay System of Job Evaluation.

Mr. Chairman, this concludes my remarks. I would be happy to answer any questions.

**Office of Management and Budget
Central Services Division
January 2011**

14



Testimony on SB 2015
Sherry Neas, Director
OMB Central Services Division
January 21, 2011

Chairman Holmberg and members of the committee, my name is Sherry Neas, director of the OMB Central Services Division. Our division operates five programs.

Two programs are general funded:

- The State Procurement Office purchases for state agencies, establishes state contracts that are also available to political subdivision, and hosts a website with information on state bidding opportunities.
- Vendor Registry administers the PeopleSoft/Oracle vendor database and purchasing modules for all state agencies.

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 \$6,647,660. Special funds are approximately 75% of the total budget (\$4,952,172) and general funds amount to \$1,695,488.

- Salaries for 29 FTE positions make up 51% of the total Central Services budget. Fifty-six percent of salaries are special funded.
- Within the operating budget, special fund authority makes up approximately 94% of the total budget. The majority of the special fund authority is to acquire inventory for printing, supply, and surplus property.

The overall budget increased \$86,667.

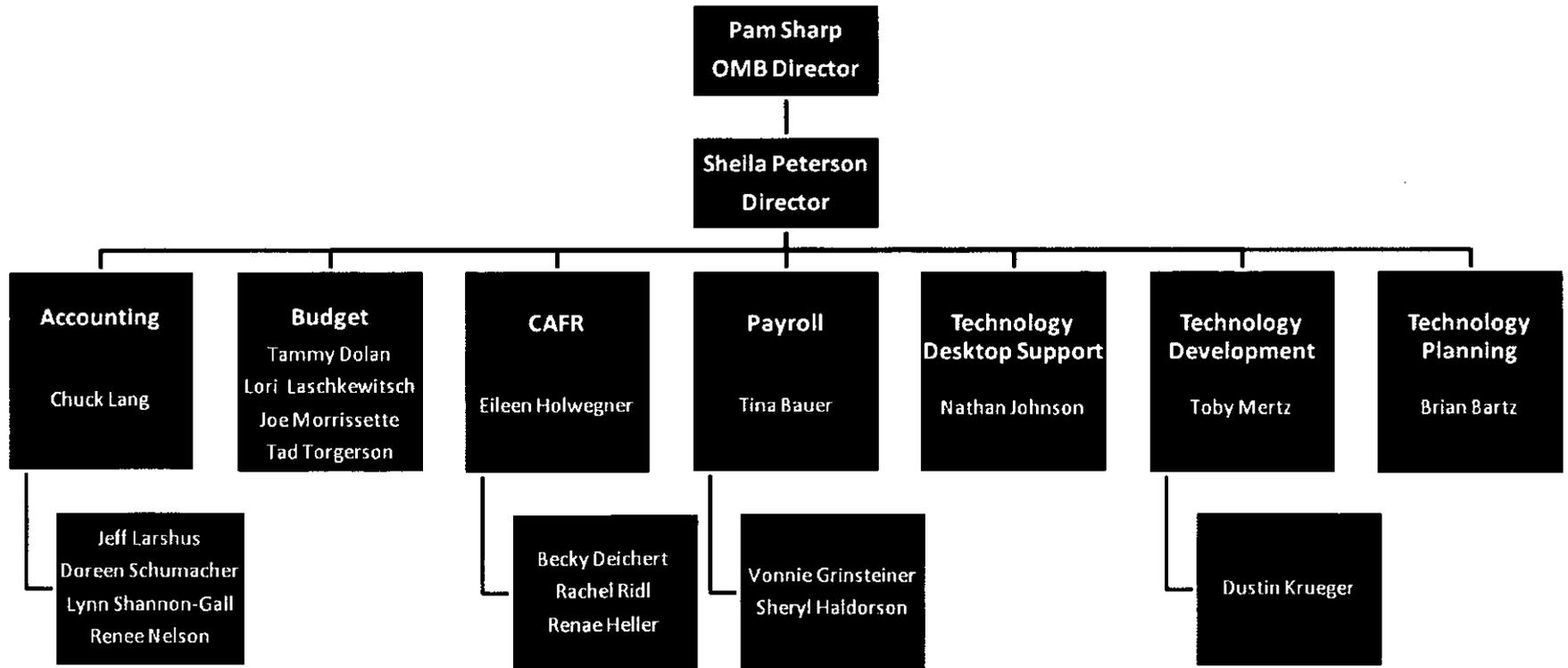
- Salaries increased to continue the 2009-11 legislatively authorized increases and for the salary compensation package for 2011-13.
- Two special funded FTEs were moved within OMB to Facility Management to provide staff for the Heritage Center Expansion.

Mr. Chairman, this concludes my testimony. I will be happy to answer any questions.

Office of Management and Budget

Fiscal Management Division

January 2011



Testimony on SB 2015
Sheila Peterson, Director
OMB Fiscal Management Division
January 21, 2011

Good morning 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 percent 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 major change in our current appropriation and the Governor's recommendation is the \$900,000 increase in IT data processing. The increase is due to the increase in ITD rates of \$360,000, with the remaining increase due to the increased cost in upgrading the PeopleSoft database. The size of the database has been growing and will continue to grow, resulting in the need to upgrade the database.

Finally, I would just like to add a comment that in addition to our regular responsibilities, this past biennium we have also been responsible for staying on top of all of the federal stimulus dollars. I think we have done a superb job, in large part due to Tammy Dolan, who took on the responsibility of making sure all of our required ARRA reporting was done on time and accurately.

Mr. Chairman, that concludes my remarks. I would be happy to answer any questions.

Fiscal Year Ending June 30, 2011

AGENCY NAME	DIVISION	ADDRESS A/BUILDING	PHYSICAL LOCATION	CITY	ST	ZIP	SQUARE FEET	ANNUAL RENT	PER SQ FOOT
Accountancy, Board of			2701 S Columbia Rd	Grand Forks	ND	58201	1,003	\$12,540	\$12.50
Administrative Hearings, Office of			1707 N 9th St	Bismarck	ND	58501-1882	2,145	\$31,103	\$14.50
Agriculture Dept	Ag Mediation (AMS)	Berg Ins Bldg	112 Main St	McVille	ND	58254	555	\$2,400	\$4.32
Agriculture Dept	AMS, Plant Industries	Eckroth bldg/15th Street Holdings, LLC	1221 West Divide Ave, Suite 201	Bismarck	ND	58501	2,640	\$38,301	\$14.51
Arts, Council on the			1600 E Century Ave, Suite 6	Bismarck	ND	58503-0649	1,450	\$19,575	\$13.50
Attorney General	BCI			Fargo	ND	58103	3,475	\$45,175	\$13.00
Attorney General	BCI	Williams Ctr Law Enforcement Ctr	223 E Broadway	Williston	ND	58801	1,172	\$8,790	\$7.50
Attorney General	BCI	Stutsman Co Law Enforcement Ctr	205 6th St SE	Jamestown	ND	58401	392	\$4,394	\$11.21
Attorney General	BCI	Lake Region Law Enforce Ctr	222 W Walnut St	Devils Lake	ND	58301	443	\$2,848	\$6.43
Attorney General	BCI	& Treatment Ctr	110 Industrial Rd	Rugby	ND	58368	118	\$1,180	\$10.00
Attorney General	BCI-Fire Marshal	City Center Plaza	136 Sims, Ste 212	Dickinson	ND	58601	2,186	\$26,232	\$12.00
Attorney General		Professional North Bldg	4205 N State St	Bismarck	ND	58503	15,735	\$167,578	\$10.65
Attorney General		Gateway Professional Bldg		Bismarck	ND	58503	8,300	\$107,900	\$13.00
Attorney General		Professional Bldg Limited	500 N 9th St	Bismarck	ND	58503	10,000	\$96,000	\$9.60
Attorney General		Professional North Bldg-Addition	4205 N State St	Bismarck	ND	58503	4,420	\$53,040	\$12.00
Attorney General		GPC Properties	3rd St SE #7	Minot	ND	58701	1,547	\$15,099	\$9.76
Auditor's Office		Front Office Bldg	3217 Fiechtner Dr	Fargo	ND	58103	2,620	\$27,379	\$10.45
Auditor's Office		First Community Credit Union	425 N 5th St, 3rd Flr	Bismarck	ND	58501	1,003	\$11,535	\$11.50
Barley Council			505 40th St SW Ste E	Fargo	ND	58103-1184	2,968	\$35,912	\$12.10
Beef Commission		Ag Foundation Bldg	4023 State St	Bismarck	ND	58501	1,165	\$9,900	\$8.50
Commerce Dept	Economic Dev/Fin-Ag Products Util Comm		1600 E Century Ave, Ste#2 & #143	Bismarck	ND	58503	15,368	\$211,310	\$13.75
Commerce Dept		City Center Plaza	135 Sims St, Ste #207	Dickinson	ND	58601	568	\$6,300	\$11.09
Commerce Dept		EERC, Rm 105	15 N 23rd St	Grand Forks	ND	58203	193	\$4,842	\$25.15
Commerce Dept			106 6th Ave NE #B1	Medina	ND	58467	504	\$4,800	\$9.52
Commerce Dept		Smith Bldg first floor, School for the Deaf	1401 College Dr	Devils Lake	ND	58301-1596	150	\$1,500	\$10.00
Corn Growers Association		Carlson Properties Inc	1411 32nd St S, Ste 2	Fargo	ND	58103	1,416	\$18,408	\$13.00
Corrections & Rehabilitation	Adult Serv		461 34th S S	Fargo	ND	58102	7,291	\$94,783	\$13.00
Corrections & Rehabilitation	Adult Serv			Grand Forks	ND	58201	2,819	\$33,828	\$12.00
Corrections & Rehabilitation	Adult Serv		103 S 3rd St, Ste 5	Bismarck	ND	58501	3,545	\$33,677	\$9.50
Corrections & Rehabilitation	Adult Serv	Arrowhead Shopping Ctr	1600 2nd Ave SW, Ste 14	Minot	ND	58701	1,722	\$20,232	\$11.75
Corrections & Rehabilitation	Adult Serv		417 1st Ave E, Ste 1	Williston	ND	58801	1,600	\$12,600	\$7.88
Corrections & Rehabilitation	Adult Serv	City Center Plaza	135 Sims St, Ste #205	Dickinson	ND	58601	1,166	\$12,120	\$10.39

Fiscal Year End June 30, 2011

AGENCY NAME	DIVISION	ADDRESS A/BUILDING	PHYSICAL LOCATION	CITY	ST	ZIP	SQUARE FEET	ANNUAL RENT	PER SQ FOOT
Corrections & Rehabilitation	Adult Serv	Marci Mgmt	221 1st Ave N	Jamestown	ND	58401	1,260	\$10,092	\$8.01
Corrections & Rehabilitation	Adult Serv	JK Enterprises	114 E Main Ave	Rolla	ND	58367	750	\$7,650	\$10.20
Corrections & Rehabilitation	Adult Serv	Dakota Rental	709 Dakota Ave, Ste D	Wahpeton	ND	58075	750	\$6,600	\$8.80
Corrections & Rehabilitation	Adult Serv	Lake Region Law Enforce Ctr	222 W Walnut St	Devils Lake	ND	58301	894	\$6,256	\$7.00
Corrections & Rehabilitation	Adult Serv	City Hall	115 S 5th St, Ste A	Oakes	ND	58474	275	\$1,320	\$4.80
Corrections & Rehabilitation	Adult Serv	McLean Co Courthouse	712 5th Ave, Parole-Probation Rm, 2nd Flr	Washburn	ND	58577	378	\$1,200	\$3.17
Corrections & Rehabilitation	Adult Serv	Heart of America Correctional & Treatment Ctr	110 Industrial Rd	Rugby	ND	58368	102	\$1,024	\$10.00
Corrections & Rehabilitation	Field Serv		300 1st St NW	Mandan	ND	58554	950	\$7,440	\$7.83
Corrections & Rehabilitation	Juvenile Serv		921 S 9th St, Ste 110	Bismarck	ND	58504	1,779	\$22,440	\$12.61
Corrections & Rehabilitation	Juvenile Serv		461 34th S S	Fargo	ND	58101	1,518	\$19,734	\$13.00
Corrections & Rehabilitation	Juvenile Serv	Rivers Edge	311 4th St, Ste 113	Grand Forks	ND	58201	1,450	\$18,600	\$12.83
Corrections & Rehabilitation	Juvenile Serv	Mill Square Bldg	301 3rd St N, Ste 202	Grand Forks	ND	58203	1,500	\$18,345	\$12.23
Corrections & Rehabilitation	Juvenile Serv	Ramsey Nation Bank & Trust Co Building	302 4th St S, Ste 2	Devils Lake	ND	58301	2,000	\$15,380	\$7.69
Corrections & Rehabilitation	Juvenile Serv	Pulver Hall, Dickinson State Univ		Dickinson	ND	58601	1,134	\$13,608	\$12.00
Corrections & Rehabilitation	Juvenile Serv		1408 20th Ave SW, Ste 7	Minot	ND	58701	1,200	\$13,200	\$11.00
Corrections & Rehabilitation	Juvenile Serv	Education Station Building	214 6th Ave NE, Ste A	Jamestown	ND	58401	1,012	\$10,116	\$10.00
Corrections & Rehabilitation	Juvenile Serv	Old Post Office Bldg	322 N Main St, Ste 103, PO Box 103	Williston	ND	58802	700	\$7,385	\$10.55
Education Standards & Practics Board (ESPB)			2718 Gateway Ave, Ste 303	Bismarck	ND	58503-0585	960	\$8,640	\$9.00
Educational Technology Council			1510 12th Ave N	Fargo	ND	58105	144	\$1,539	\$10.69
Electrical Board		Northbrook	1929 N Washington St, Ste A-1	Bismarck	ND	58507-7335	2,322	\$30,186	\$13.00
Financial Institutions		Meadowlark Hill 2nd Addition to the City of Bismarck; Dakoll Inc dba Dakota Collectibles	2000 Schafer St	Bismarck	ND	58501	3,649	\$49,260	\$13.50
Financial Institutions			2534 17th Ave S, Ste 1D	Grand Forks	ND	58201	904	\$13,650	\$15.10
Financial Institutions			3310 Feichtner Dr, Ste 104	Fargo	ND	58106	800	\$12,176	\$15.22
Health Dept	Disease Control		500 E Front Ave	Bismarck	ND	58504	120	\$1,114	\$9.28
Health Dept	Emerg. Preparedness	Jobber's Moving & Storage	1200 Industrial Dr	Bismarck	ND	58503	23,520	\$123,888	\$5.27
Health Dept	Emerg. Preparedness		1929 N Washington St, Ste FF	Bismarck	ND	58503	527	\$6,000	\$11.39
Health Dept	Environmental Services. & Emerg. Preparedness	Gold Seal Ctr	918 E Divide Ave	Bismarck	ND	58501	40,025	\$476,292	\$11.90
Health Dept	Local Health & Disease Control		122 2nd St NW	Jamestown	ND	58402-0880	720	\$10,224	\$14.20
Health Dept	Waste Mgmt	City of Fargo	2301 8th Ave N	Fargo	ND	58102	500	\$4,750	\$9.50
Health Dept	Water Quality		314 W Main	Towner	ND	58788	190	\$2,700	\$14.21
Highway Patrol			374 34th St S, Ste A	Fargo	ND	58103	4,002	\$54,027	\$13.50

Fiscal Year End June 30, 2011

AGENCY NAME	DIVISION	ADDRESS A/BUILDING	PHYSICAL LOCATION	CITY	ST	ZIP	SQUARE FEET	ANNUAL RENT	PER SQ FOOT
Highway Patrol			1100 47th St N	Grand Forks	ND	58203	3,211	\$43,348	\$13.50
Highway Patrol		Design Wizards	4007 State St Ste HP	Bismarck	ND	58501	1,836	\$22,950	\$12.50
Highway Patrol		Double Z Broadcasting	318 W Walnut St	Devils Lake	ND	58301	2,400	\$15,840	\$6.60
Highway Patrol			2201 6th St SE, Ste B	Minot	ND	58701	3,600	\$14,400	\$4.00
Highway Patrol		Stutsman Co Law Enforcement Cir	205 6th St SE	Jamestown	ND	58401	1,376	\$13,044	\$9.48
Highway Patrol		DOT	1700 3rd Ave W, Ste 102	Dickinson	ND	58601	941	\$12,826	\$13.63
Highway Patrol			223 E Broadway, Ste 304	Williston	ND	58801	1,611	\$12,083	\$7.50
Highway Patrol		DOT/Permit Section	600 E Blvd Avenue	Bismarck	ND	58501	763	\$5,837	\$7.65
Housing Finance Agency	Rent Assistance	Black Building	118 Broadway, Suite 604	Fargo	ND	58102	985	\$10,540	\$10.70
Housing Finance Agency			2624 Vermont Ave	Bismarck	ND	58504	13,760	\$213,280	\$15.50
Human Services	Badlands HSC	708 1st Avenue SW	108 1st Ave SW	Bowman	ND	58623	400	\$3,000	\$7.50
Human Services	BLHSC	Pulver Hall, Dickinson State Univ	300 13th Ave W, Ste #1	Dickinson	ND	58601	19,145	\$220,458	\$11.52
Human Services	BLSHC	CAP	990 3rd Avenue West	Dickinson	ND	58601	320	\$2,820	\$8.81
Human Services	BLSHC	Beach Medical Clinic	95 2nd St NW	Beach	ND	58621	105	\$960	\$9.14
Human Services	Central Office	Century Center	1600 E Century Ave, Ste #5, #7 & Rm 144	Bismarck	ND	58503	9,251	\$124,889	\$13.50
Human Services	Central Office	Northbrook Professional Building	1929 N Washington St	Bismarck	ND	58503	2,915	\$34,000	\$11.66
Human Services	CSE	Provident Life Bldg	316 N 5th St, Ste 300	Bismarck	ND	58501	7,844	\$94,128	\$12.00
Human Services	CSE	JPR Investments	4950 13th Avenue S, Ste 22	Fargo	ND	58103	5,136	\$82,176	\$16.00
Human Services	CSE		151 S 4th St, Ste N101	Grand Forks	ND	58206-5756	5,775	\$75,941	\$13.15
Human Services	CSE		325 28th Ave SW, Ste C	Minot	ND	58701	4,200	\$52,080	\$12.40
Human Services	CSE	1820 Walnut St. E, Suite 4	1820 Walnut St E, Ste 4	Devils Lake	ND	58301-3411	4,800	\$48,000	\$10.00
Human Services	CSE	Richard Laqua, L2 B1, Began's College Park	Lot 2 Block 2 Began's College Park	Jamestown	ND	58401	3,840	\$23,508	\$6.12
Human Services	CSE	City Center Plaza	135 Sims St, Ste #202	Dickinson	ND	58601-5141	2,233	\$21,648	\$9.69
Human Services	CSE		202 Main St, lower level	Williston	ND	58801	3,374	\$21,000	\$6.22
Human Services	HSC	Capitol Lanes Plaza	1237 W Divide Ave, Ste 5	Bismarck	ND	58501-1208	58,950	\$828,248	\$14.05
Human Services	HSC	Capitol Lanes Plaza	1237 W Divide Ave, Ste 5	Bismarck	ND	58501-1208	5,210	\$83,360	\$16.00
Human Services	LRHSC		W Walnut St	Devils Lake	ND	58301	18,236	\$140,417	\$7.70
Human Services	LRHSC	North Country Investors	113 Main Ave E	Rolla	ND	58367	1,958	\$21,000	\$10.73
Human Services	LRHSC	North Country Investors	113 Main Ave E	Rolla	ND	58367	391	\$1,800	\$4.60
Human Services	NCHSC	Minot Town & Country Investors	1015 S Broadway, Ste 18	Minot	ND	58701	42,911	\$412,800	\$9.62
Human Services	NCHSC		210 South Main Street	Rugby	ND			\$4,500	na
Human Services	NCHSC	War Memorial Bldg		Stanley	ND	58784		\$1,200	na
Human Services	NCHSC		228 Eagle Dr	New Town	ND	58763		\$200	na

Fiscal Year End June 30, 2011

AGENCY NAME	DIVISION	ADDRESS A/BUILDING	PHYSICAL LOCATION	CITY	ST	ZIP	SQUARE FEET	ANNUAL RENT	PER SQ FOOT
Human Services	NEHSC		151 S 4th St	Grand Forks	ND	58206	40,040	\$526,526	\$13.15
Human Services	NWHSC		316 2nd Ave W	Williston	ND	58802	23,365	\$198,603	\$8.50
Human Services	NWHSC		109 5th St SW	Watford City	ND	58854	336	\$4,200	\$12.50
Human Services	Rehab Consult Serv		117 1st St E	Dickinson	ND	58601-5212	3,514	\$35,140	\$10.00
Human Services	SCHSC		520 3rd St NW	Jamestown	ND	58401	27,577	\$285,973	\$10.37
Human Services	SCHSC		520 3rd St NW	Jamestown	ND	58402	2,340	\$11,723	\$5.01
Human Services	SEHSC	Liffrig Family Investments	1122 1st Ave N	Fargo	ND	58102	9,129	\$108,299	\$11.86
Human Services		Gary Lokken Bldg Acct	109 Main	Crosby	ND	58730	500	\$3,000	\$6.00
Industrial Commission	Geological Survey		1016 E Calgary Ave	Bismarck	ND	58503	6,116	\$89,218	\$14.59
Industrial Commission	Oil & Gas		1016 E Calgary Ave	Bismarck	ND	58503	9,175	\$133,827	\$14.59
Industrial Commission	Oil & Gas		7 3rd St SE, Ste 204	Minot	ND	58701	575	\$6,182	\$10.75
Industrial Commission	Oil & Gas		314B 3rd Ave W	Dickinson	ND	58601-4938	1,400	\$5,544	\$3.96
Industrial Commission	Oil & Gas		11 E Broadway, Ste 201	Williston	ND	58801	978	\$5,148	\$5.26
Information Tech Dept	EduTech	Regional Technology Center	415 Winter Show Road – Suite 2	Valley City	ND	58072	4,100	\$21,607	\$5.27
Information Tech Dept	EduTech	NDSU Dept 4510	PO Box 6050	Fargo	ND	58108-6050	1,146	\$15,000	\$13.09
Information Tech Dept	EduTech	ND School for the Deaf	1401 College Drive N - Room 336	Devils Lake	ND	58301	560	\$4,704	\$8.40
Information Tech Dept		Northbrook	1929 N Washington St	Bismarck	ND	58501	17,077	\$220,635	\$12.92
Information Tech Dept		ND Association of Counties Bldg	PO Box 877	Bismarck	ND	58502-0877	12,000	\$180,000	\$15.00
Information Tech Dept		DCN Building	1615 Capitol Way	Bismarck	ND	58501	4,630	\$58,153	\$12.56
Information Tech Dept		MDU Building	308 1st Street NW	Mandan	ND	58554	1,815	\$50,413	\$27.78
Insurance			1701 S 12th St	Bismarck	ND	58501	4,800	\$63,600	\$13.25
Job Service		NP Development LLC	325 2nd St NW	Valley City	ND	58072	1,131	\$7,500	\$6.63
Job Service		Better B's Café	206 Main St	New Town	ND	58763	925	\$7,200	\$7.78
Job Service			119 E Main St	Beulah	ND	58523	552	\$5,520	\$10.00
Job Service		Harvey Tire Center	119 9th St W	Harvey	ND	58341	348	\$2,700	\$7.76
Job Service		Alien Enterprises	1307 12th Ave NE, Ste 3	Jamestown	ND	58401	2,905	\$2,179	\$0.75
Job Service		South East Region Career/Tech Center	924 S 7th St	Oakes	ND	58474	150	\$600	\$4.00
Judicial Branch	District Court	Centennial Plaza LLC	116 4th St	Bismarck	ND	58501	11,156	\$118,700	\$10.64
Judicial Branch, Supreme Court	Disciplinary Board	Parkade Bldg	515 1/2 E Broadway Ave, Ste 102	Bismarck	ND	58501	700	\$7,800	\$11.14
Land Dept			1707 N 9th St	Bismarck	ND	58503	5,792	\$58,036	\$10.02
Legal Counsel for Indigents, ND Commission on			11 1st Ave SW	Minot	ND	58701	2,544	\$30,000	\$11.79
Legal Counsel for Indigents, ND Commission on		Courtview Inc	912 3rd Ave S	Fargo	ND	58102	2,900	\$24,600	\$8.48

Fiscal Year End June 30, 2011

AGENCY NAME	DIVISION	ADDRESS A/BUILDING	PHYSICAL LOCATION	CITY	ST	ZIP	SQUARE FEET	ANNUAL RENT	PER SQ FOOT
Legal Counsel for Indigents, ND Commission on			314 E Thayer Ave	Bismarck	ND	58501	1,810	\$24,435	\$13.50
Legal Counsel for Indigents, ND Commission on		H & H Properties	405 Bruce Ave, Ste 101	Grand Forks	ND	58206	2,000	\$21,000	\$10.50
Legal Counsel for Indigents, ND Commission on			16 E Broadway	Williston	ND	58801	2,080	\$14,880	\$7.15
Legal Counsel for Indigents, ND Commission on			2517 W Main St	Valley City	ND	58702	1,500	\$13,440	\$8.96
Legal Counsel for Indigents, ND Commission on		City Center Plaza	135 Sims, Ste 221	Dickinson	ND	58601	1,100	\$12,000	\$10.91
Management & Budget, Office of	Central Serv	Apple Creek LLP	Ipoe Industrial Park, B 2, L 5-6	Bismarck	ND	58501	18,000	\$35,500	\$1.97
Management & Budget, Office of	Risk Mgmt		1600 E Century Ave, Ste #4, Office #172 & Rm 146	Bismarck	ND	58503	1,630	\$22,005	\$13.50
Nursing Board		Kirkwood Office Tower	919 S 7th St, Ste 504	Bismarck	ND	58504-5881	2,626	\$30,240	\$11.52
Parks & Recreation			1600 E Century Ave, Ste 3	Bismarck	ND	58503	5,426	\$73,251	\$13.50
Plumbing Board		RSTS Inc	1110 College Dr, Ste 210	Bismarck	ND	58501	770	\$9,240	\$12.00
Protection & Advocacy	Region I		14 E Broadway	Williston	ND	58801	1,206	\$9,600	\$7.96
Protection & Advocacy	Region II	Mt Vernon Office Bldg	900 N Broadway, Ste 210	Minot	ND	58701	223	\$2,340	\$10.49
Protection & Advocacy	Region III	Smith Bldg Rm 9, School for the Deaf	1401 College Dr	Devils Lake	ND	58301	270	\$2,160	\$8.00
Protection & Advocacy	Region IV	Rivers Edge	311 S 4th St, Ste 112	Grand Forks	ND	58208	540	\$6,000	\$11.11
Protection & Advocacy	Region V	The Butler Center	1351 Page Dr, Ste 303	Fargo	ND	58103	866	\$10,392	\$12.00
Protection & Advocacy	Region VI	LRC Building	2509 Circle Dr	Jamestown	ND	58401	571	\$3,420	\$5.99
Protection & Advocacy	Region VII	Dakota Northwestern Bldg	400 E Broadway Ave, Ste 409	Bismarck	ND	58501	4,661	\$50,805	\$10.90
Protection & Advocacy	Region VIII	City Center Plaza	135 Sims, Ste 206	Dickinson	ND	58601	350	\$3,780	\$10.80
Protection & Advocacy	Turtle Mt		129 Sandra Birdsell Ave, Office #2	Belcourt	ND	58316	256	\$6,600	\$25.78
Public Employees Retirement System		Dakota Northwestern Bldg	400 E Broadway Ave, Ste 503, 505, & 515	Bismarck	ND	58502-1657	6,442	\$89,866	\$13.95
Public Employees Retirement System		Dakota Northwestern Bldg	400 E Broadway Ave, Ste 300	Bismarck	ND	58502-1657	1,514	\$21,120	\$13.95
Public Employees Retirement System		Dakota Northwestern Bldg	400 E Broadway Ave, vacated suite near Ste 505	Bismarck	ND	58502-1657	1,088	\$10,880	\$10.00
Public Instruction, Dept of	Child Nutrition & Food Distribution Programs	Gateway Professional Bldg		Bismarck	ND	58507	3,155	\$27,606	\$8.75
Public Instruction, Dept of	Child Nutrition & Food Distribution Programs	Mayville State University		Mayville	ND	58257	173	\$1,200	\$6.94
Public Instruction, Dept of	Special Education	North Central Human Service Ctr		Minot	ND	58701	162	\$1,698	\$10.46
Real Estate Commission			200 E Main Ave, Ste 204	Bismarck	ND	58501	1,265	\$13,800	\$10.91
Reg Board of Prof Engineers & Land Surveyors			723 W Memorial Hwy	Bismarck	ND	58504	1,771	\$19,476	\$11.00
Retirement & Investment			1930 Burnt Boat Dr	Bismarck	ND	58507-7100	5,569	\$74,513	\$13.38
School for the Blind			1015 S Broadway, Ste 21	Minot	ND	58702	421	\$4,409	\$10.46

Fiscal Year End June 30, 2011

AGENCY NAME	DIVISION	ADDRESS A/BUILDING	PHYSICAL LOCATION	CITY	ST	ZIP	SQUARE FEET	ANNUAL RENT	PER SQ FOOT
School for the Blind			300 2nd Ave NE, Ste 208	Jamestown	ND	58401	452	\$3,164	\$7.00
School for the Blind			2624 9th Ave SW	Fargo	ND	58103	114	\$2,280	\$20.00
School for the Blind		City Center Plaza	418 E Broadway Ave	Bismarck	ND	58501	320	\$2,040	\$6.38
School for the Deaf		City Center Plaza	418 E Broadway, Ste 228	Bismarck	ND	58501	310	\$2,688	\$8.67
School for the Deaf		ND DHS- NE Human Serv Ctr	151 S 4th St, Ste 401	Grand Forks	ND	58201-4735		\$2,652	na
School for the Deaf		South Plaza Properties	1510 12th Ave N	Fargo	ND	58105	63	\$1,260	\$20.00
Securities Dept		Rivers Edge	311 S 4th St, Ste 116	Grand Forks	ND	58201	480	\$5,280	\$11.00
Soybean Council			1411 32nd St S, Ste 3	Fargo	ND	58103	1,892	\$24,700	\$13.05
Tax Dept			3217 Fiechtner Dr S	Fargo	ND	58103	1,436	\$16,227	\$11.30
Tax Dept		Arrowhead Shopping Ctr	1600 2nd Ave SW, Ste 11	Minot	ND	58701-3459	600	\$5,700	\$9.50
Tax Dept		City Center Plaza	135 Sims, Ste 211	Dickinson	ND	58602-0766	224	\$2,820	\$12.59
Tax Dept		Hemmp Exe Suites	1407 24th Ave S	Grand Forks	ND	58208-4435	384	\$2,280	\$5.94
Tax Dept		Park Plaza	1137 2nd Ave W, Ste 103	Williston	ND	58802-1701	180	\$1,800	\$10.00
Tax Dept			1307 12th Ave NE, Ste 3	Jamestown	ND	58402-0444	120	\$1,200	\$10.00
Transportation, Dept of	Drivers License	Forum Communications Co Inc	518 Hwy 2 E	Devils Lake	ND	58301	1,150	\$12,600	\$10.96
Transportation, Dept of	Drivers License	Jamestown Business Ctr	300 2nd Ave NE, Ste 139	Jamestown	ND	58401	815	\$10,188	\$12.50
Transportation, Dept of	Drivers License	Arrowhead Shopping Ctr	1600 2nd Ave SW	Minot	ND	58701	1,000	\$9,500	\$9.50
Transportation, Dept of	Drivers License	Grafton Developmental Ctr	701 W Sixth St, Rm 305,307,311	Grafton	ND	58237	1,097	\$2,743	\$2.50
Transportation, Dept of	Drivers License	National Guard Armory	747 7th St SE	Valley City	ND	58072	1,200	\$2,100	\$1.75
Transportation, Dept of	Maintenance		2301 University Dr (2 Spaces for Hanger Storage in Bldg #5)	Bismarck	ND	58504	513	\$243	\$0.47
Veteran's Affairs		S & D Mgmt	4201 38th St SW, Ste 104	Fargo	ND	58106-9003	2,485	\$25,357	\$10.20
Veteran's Affairs		Northbrook	1929 N Washington St, Ste LL	Bismarck	ND	58501	490	\$6,232	\$12.72
Wheat Commission			2401 46th Ave SE, Ste 104	Mandan	ND	58554-4829	4,000	\$48,000	\$12.00
Workforce Safety & Insurance			2601 12th Ave SW	Fargo	ND	58103	3,348	\$47,709	\$14.25
Workforce Safety & Insurance		Great River Energy	1600 E Century Ave, Ste 1	Bismarck	ND	58503-0644	1,511	\$22,665	\$15.00
Workforce Safety & Insurance			3001-B 32nd Ave S, Ste 2B	Grand Forks	ND	58201	1,184	\$19,820	\$16.74

Fiscal Year Ending June 30, 2011

AGENCY NAME	DIVISION	ADDRESS A/BUILDING	PHYSICAL LOCATION	CITY	ST	ZIP	SQUARE FEET	ANNUAL RENT	PER SQ FOOT
Workforce Safety & Insurance		Arrowhead Shopping Ctr	1600 2nd Ave SW, Ste 10	Minot	ND	58701	983	\$11,059	\$11.25
Workforce Safety & Insurance		Central Valley Health District	122 2nd St NW	Jamestown	ND	58401	288	\$4,090	\$14.20
Workforce Safety & Insurance		Association of General Contractor sublease to WSI	2601 12th Ave SW	Fargo	ND	58103	111	\$1,575	\$14.25
Workforce Safety & Insurance		Job Service	422 1st Ave W	Williston	ND	58801	176	\$1,253	\$7.12
Workforce Safety & Insurance		Job Service	66 Osborn Dr.	Dickinson	ND	58601-3934	176	\$1,253	\$7.12
Workforce Safety & Insurance		Job Service	301 S College Dr	Devils Lake	ND	58301-3511	140	\$997	\$7.12

TOTALS: 718,154 \$8,017,855 \$11.16

Top 20 - Fiscal Year Ending June 30, 2011

AGENCY NAME	DIVISION	ADDRESS A/BUILDING	PHYSICAL LOCATION	CITY	ST	ZIP	SQUARE FEET	ANNUAL RENT	PER SQ FOOT
Human Services	HSC	Capitol Lanes Plaza	1237 W Divide Ave, Ste 5	Bismarck	ND	58501-1208	58,950	\$828,248	\$14.05
Human Services	NEHSC		151 S 4th St	Grand Forks	ND	58206	40,040	\$526,526	\$13.15
Health Dept	Environmental Services & Emerg. Preparedness	Gold Seal Ctr	918 E Divide Ave	Bismarck	ND	58501	40,025	\$476,292	\$11.90
Human Services	NCHSC	Minot Town & Country Investors	1015 S Broadway, Ste 18	Minot	ND	58701	42,911	\$412,800	\$9.62
Human Services	SCHSC		520 3rd St NW	Jamestown	ND	58401	27,577	\$285,973	\$10.37
Information Tech Dept		Northbrook	1929 N Washington St	Bismarck	ND	58501	17,077	\$220,635	\$12.92
Human Services	BLHSC	Pulver Hall, Dickinson State Univ	300 13th Ave W, Ste #1	Dickinson	ND	58601	19,145	\$220,458	\$11.52
Housing Finance Agency	Economic Dev/Fin-Ag Products Util Comm		2624 Vermont Ave	Bismarck	ND	58504	13,760	\$213,280	\$15.50
Commerce Dept			1600 E Century Ave, Ste#2 & #143	Bismarck	ND	58503	15,368	\$211,310	\$13.75
Human Services	NWHSC		316 2nd Ave W	Williston	ND	58802	23,365	\$198,603	\$8.50
Information Tech Dept		ND Association of Counties Bldg	PO Box 877	Bismarck	ND	58502-0877	12,000	\$180,000	\$15.00
Attorney General		Professional North Bldg	4205 N State St	Bismarck	ND	58503	15,735	\$167,578	\$10.65
Human Services	LRHSC		W Walnut St	Devils Lake	ND	58301	18,236	\$140,417	\$7.70
Industrial Commission	Oil & Gas		1016 E Calgary Ave	Bismarck	ND	58503	9,175	\$133,827	\$14.59
Human Services	Central Office	Century Center	1600 E Century Ave, Ste #5, #7 & Rm 144	Bismarck	ND	58503	9,251	\$124,889	\$13.50
Health Dept	Emerg. Preparedness	Jobber's Moving & Storage	1200 Industrial Dr	Bismarck	ND	58503	23,520	\$123,888	\$5.27
Judicial Branch	District Court	Centennial Plaza LLC	116 4th St	Bismarck	ND	58501	11,156	\$118,700	\$10.64
Human Services	SEHSC	Liffrig Family Investments	1122 1st Ave N	Fargo	ND	58102	9,129	\$108,299	\$11.86
Attorney General		Gateway Professional Bldg		Bismarck	ND	58503	8,300	\$107,900	\$13.00
Attorney General		Professional Bldg Limited	500 N 9th St	Bismarck	ND	58503	10,000	\$96,000	\$9.60

TOTALS: 424,720 \$4,895,622 \$11.53

Testimony on SB 2015
Senate Appropriations
John Harris, President & CEO
Prairie Public Broadcasting
January 21, 2011

Mr. Chairman and members of the committee, thank you for the opportunity to speak with you today about the budget request for Prairie Public Broadcasting, North Dakota's public media network.

For the record, I am John Harris, President & CEO of Prairie Public Broadcasting.

Since 1964, when Prairie Public began broadcasting with its first television transmitter, Prairie Public has grown to provide our region with public media services that enrich the lives of the citizens of our great state.

I'm using the term 'public media,' rather than public radio and television, because Prairie Public is evolving and utilizing expanding technology.

Today, Prairie Public accomplishes its mission to educate, involve, and inspire the people of our region with nine HD television transmitters, nine HD radio transmitters, eight radio translators and robust web and streaming services.

With your support and the support of the people who value and depend upon us, Prairie Public works with schools, state agencies, colleges and universities, private foundations, businesses, and other entities to create programming that has regional and statewide relevance.

Families tune to Prairie Public and find the quality programming for which public media is known and trusted. In fact, a recent Roper poll asked Americans what they consider to be the "best use of tax dollars." They rank public television second only to military defense, and public radio is ranked third.

The public appreciates and depends upon Prairie Public to deliver PBS and NPR national offerings, but I am most proud of the quality television and radio programming that focuses on our communities.

In fact, Prairie Public television programs were recently honored with two regional Emmy Awards. *Homesteading* was awarded an Emmy as best historical documentary, and *A Considered View* was awarded an Emmy as best cultural documentary ... with yet more shows in production.

Ultimately, education is at the core of our mission. By combining public media's greatest assets with outreach and professional development for teachers and early childhood educators, Prairie Public has made a positive impact on the lives of thousands of children.

I cannot express enough the thanks Prairie Public and its members extend to you for your support. Technology continues to change, but Prairie Public's mission to provide services that educate, involve and inspire has not.

The state of North Dakota plays an essential supporting role in the operation of our media services. And while the state appropriation does not cover all expenses, it provides an important part in building the foundation for support from many other sources.

For the past several decades, we have concentrated on meeting the FCC mandate for digital broadcasting and Prairie Public has made great strides to complete our digital transmitters and towers. We now turn our focus to our studio production and facilities requirements.

For the 2011 biennium, Prairie Public requests that the state consider assistance with the following:

- 1.) Prairie Public has requested federal grant funding to continue Prairie Public's studio conversion to digital and to expand high definition (HD) productions at its Bismarck and Fargo studio facilities.
- 2.) Prairie Public received federal grant funding to replace the audio console equipment at its radio studio locations in Fargo and Grand Forks. The existing Grand Forks audio consoles were purchased more than 25 years ago. In addition, funding for a replacement studio-to-transmitter (STL) digital microwave link is also requested for the Grand Forks studio.
- 3.) Prairie Public has requested federal grant funding for digital television equipment associated with our most rural stations: KJRE (Ellendale), KMDE (Devils Lake), KDSE (Dickinson), and KWSE (Williston). These stations serve 129,000 rural North Dakota residents with both standard and high definition noncommercial programming. This grant can be categorized into three separate projects that include production, multicasting, and digital STL microwave equipment.
- 4.) Prairie Public received one-time North Dakota funding in the 2009-2011 biennium for cosmetic improvements to the interior of the Bismarck radio studio facility. Before commencing with these improvements, supplemental funding is being requested to expand the project's scope to include significant remodeling work to allow radio operations to be relocated out of the basement and to soundproof the television studio and production areas. This would require a complete overhaul or possible replacement of the existing structure, which was originally designed as a church. Building remodeling costs are not grant eligible through federal granting programs.

5.) Prairie Public's Fargo studio building was built in the early 1950's, and significant improvements have been made since Prairie Public moved into the facility 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 insulation and the corroded steam piping and registers.
- Replace the original building fire alarm system, which 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.
- Update and replace the original office and hallway ceiling lights for greatly improved energy efficiency.

6.) 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. The existing 3.8 meter satellite dish is twenty plus years old, no longer dependable, and its fiberglass construction is 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 should be replaced with the newer solid-state type.

To complete the projects mentioned above, Prairie Public would require an additional one-time only appropriation of \$1,932,902 million.

Over the past twelve years, Prairie Public has received grants totaling approximately \$24.4 million, with more than \$18 million of that coming from federal sources. The remaining "matching" dollars have come from the state of North Dakota, the state of Minnesota, and from local resources.

We will continue to use the dollars requested from the state of North Dakota in this biennium to allow us to access federal funds when possible and bring dollars back to our state.

At the present time, I can report that Prairie Public has more than 15,000 active members who contribute to support programming expenses for the organization. These citizens are partners with Prairie Public in providing a strong and viable public media entity for their communities.

Fiscal year 2009 reports show a wide variety of funding sources, including local support at about 25%, CPB support at about 13%, and state support at about 13%. I've included our most recent annual report and a sample of our program guide in your handout.

In Senate Bill 2015 of this biennium's budget, the Governor's budget has recommended \$1,316,000 for our operation. In addition to this, we ask that you include a one-time request for Prairie Public of \$1,939,902. This allows Prairie Public a base of support to operate infrastructure, plus dollars to continue the digital conversion and facility updates. Your support of this request will enable Prairie Public to continue to provide our valuable services to homes, schools, and workplaces across the state.

In the past 12 years, Prairie Public has turned \$6 million from regional resources into \$24 million with federal matching funds. Those federal matching funds continue to come under scrutiny and may not be available in the future. Please help us to continue to reap these matching funds while they're available.

Mr. Chairman and Members of the Committee, on behalf of the Board of Directors and staff of Prairie Public, I thank you for your time and consideration.

Prarie Public DVDs for 2011 SB 2015 testimony are available upon request

Candles at Canaan: Signs of Life in a Lonesome Land, Regionalist Essays by Tom Isern, Historian

A Considered View: The Photography of Wayne Gudmundson / Bill Holm: Through the Windows of Brimnes / A Photographer's View of Iceland

Homesteading

Growing Up German-Russian: A Radio Series

**Matching Grants History, Prairie Public Broadcasting
1/17/2011**

Name of Project	Year	Project Cost	Federal Award	Fed. %	Local Match
Digital Microwave Bismarck	1999	1,252,847	939,635	0.75	313,212
Bismarck DTV	2000	1,521,736	1,141,302	0.75	380,434
Digital Microwave TRF (Towers)	2001	536,698	359,587	0.67	177,111
Fargo DTV	2001	1,368,203	916,696	0.67	451,507
Digital Microwave TRF (Radio)	2002	630,587	422,493	0.67	208,094
Crookston DTV	2002	1,455,478	975,170	0.67	480,308
Crookston Building (DDF)	2002	120,000	90,000	0.75	30,000
Minot DTV (DDF)	2002	948,898	711,674	0.75	237,225
Ellendale DTV (DDF)	2002	384,435	288,326	0.75	96,109
Dickinson DTV (DUSF)	2002	400,000	300,000	0.75	100,000
Williston DTV (DUSF)	2002	400,000	300,000	0.75	100,000
Western ND Microwave (USDA)	2004	2,000,000	2,000,000	1.00	0
Master Control Monitoring	2004	150,315	112,736	0.75	37,579
KGFE Digital STL	2004	327,272	219,272	0.67	108,000
Devils Lake DTV Tower/Microwave	2004	1,343,533	900,167	0.67	443,366
Devils Lake DTV TX	2004	666,639	499,979	0.75	166,660
HD Encoder (DDF)	2004	53,720	40,290	0.75	13,430
Digital Microwave (DDF)	2005	455,271	341,453	0.75	113,818
KUND/KFJM Relocation (PTFP)	2005	481,973	361,479	0.75	120,493
Hot-Standby Microwave (DDF)	2005	666,662	489,124	0.73	177,538
Video Server Upgrade (DDF)	2005	499,985	374,988	0.75	124,996
KFME Ch. 13 DTV (PTFP)	2006	817,700	613,275	0.75	204,425
HD Radio - 8 Stations (CPB)	2006	1,158,571	944,623	0.82	213,948
KDSE Ch. 9 DTV (RUS)	2007	837,895	837,895	1.00	0
Studio/Production (PTFP)	2007	910,085	682,564	0.75	227,521
Devils Lake Radio (PTFP)	2008	422,607	316,955	0.75	105,652
KJRE/KWSE Transmitter/Antenna Equip. (RUS)	2008	330,849	330,849	1.00	0
KFME Maximization (CPB)	2008	227,676	113,838	0.50	113,838
HD Equipment/Monopole/Generator (CPB)	2008	666,667	500,000	0.75	166,667
Williston High-Power FM Radio (CPB)	2008	391,028	195,514	0.50	195,514
Radio Interconnection Equip. (CPB)	2008	71,147	50,000	0.70	21,147
Williston Tower For Channel 11 (CPB)	2009	666,667	500,000	0.75	166,667
Williston Transmitter/Antenna Ch 11 (PTFP)	2009	975,899	731,924	0.75	243,975
KGFE DTV - Euclid (CPB)	2009	398,395	298,796	0.75	99,599
Audio Consoles Fargo/Grand Forks (PTFP)	2010	136,474	81,884	0.60	54,590
Field Production/Encoders/Microwave (RUS)	2010	749,995	382,725	0.51	367,270
Totals:		24,425,907	18,365,213	0.75	6,060,692

Pending Grant Applications

Fargo Audio/Bismarck Studio (PTFP)	2011	959,280	719,460	0.75	239,820
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2009 Annual Report



Prairie Public Broadcasting, Inc.

(Fiscal Year 2009 began October 1, 2008, and ended September 30, 2009.)



*Prairie Public
Broadcasting provides
quality radio, television,
and public media services
that educate, involve, and
inspire the people of the
prairie region.*



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 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.

nipr

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.

We're celebrating!

In 2009, Prairie Public completed the transition to digital television, federally mandated by the Telecommunications Act of 1996. The process took more than ten years, yet with careful planning, fiscal vigilance, an optimistic attitude, and your support, this year Prairie Public is celebrating.

In fact, Prairie Public is a leader in the transition, broadcasting in digital long before most of the commercial stations were prepared to do so. Residents in the Bismarck area received our digital signal beginning in May 2002, when we threw the switch on our first digital transmitter. In October 2003, a

digital tower near Euclid, Minnesota, brought digital to the northern Red River Valley. Tower by tower, for a total of nine, Prairie Public completed the work required to usher in this new era in television, and on February 17, 2009, Prairie Public completed the initial major phase of the transition.

Prairie Public's engineers were amazing throughout the process—from adjusting to the inevitable technical hiccups they encountered, to being a supportive resource when viewers called with questions.

We're now broadcasting three different television program schedules: the programs you're accustomed to seeing in the times you're accustomed to seeing them on our first multicast program schedule; regionally-produced programs created in and about North Dakota, Manitoba, Minnesota, and other nearby states on our second multicast program schedule; and how-to programs and our made-for-the-classroom curriculum on our third multicast program schedule.

Radio has jumped on the bandwagon, too. With a digital radio, you can now hear either of Prairie Public's two radio program streams. Both continue to broadcast the news and entertainment you've come to expect from public radio—but one airs roots, rock, and jazz, while the other airs classical music.



Added channels create new opportunities for Prairie Public to serve the region with programs that educate, involve, and inspire. And that's Prairie Public's purpose: to serve you, and your community.

There's an added reason to celebrate. The transition compelled us to upgrade our equipment, assuring that Prairie Public's infrastructure is prepared to serve the community for many years to come. This transition is a win-win situation for everyone.

This annual report provides a snapshot of just one year of service to our community in the rich history of Prairie Public—but, oh, it was a momentous year.

Celebrating a milestone,

John Harris
President & CEO
Prairie Public Broadcasting



FY 2009 Television Highlights

Public television is a consistent leader in providing the widest variety of television's most highly-acclaimed and trusted programs. Prairie Public's local productions round out a year filled with exceptional quality and diversity, acknowledged by the industry's most prestigious awards. As the only television network in the region that creates full-length documentaries, Prairie Public serves as an important regional storyteller and historian—reflecting local culture and local interests.

2009 Local Productions

Bill Holm: Through the Windows of Brimnes
DTV Helpline
Fargo Film Festival Preview Show
ND Legislative Review
North Dakota Musicians
Our State Fair:
 The North Dakota Experience
Painting with Paulson, tenth season
A Photographer's View of Iceland
Prairie Churches
Prairie Pulse, seventh season
Read ND: An Evening
 with James McPherson
WWII Prairie Memories

Prairie Public's local productions are consistently award-winning!

The **Communicator Awards** is sanctioned and judged by the International Academy of the Visual Arts—an invitation-only group of top-tier professionals from acclaimed media, communications, advertising, creative and marketing firms.

Award of Excellence: Environmental Documentary
Out of the Air Into the Soil: Land Practices That Reduce Atmospheric Carbon

Award of Excellence: Environmental Documentary
Reducing Our Carbon Footprint: The Role of Markets

Award of Distinction: Religious Documentary
Prairie Churches

The **Aurora Awards** is an international competition designed to recognize excellence in the film and video industries. Programs are judged in areas of creativity, message effectiveness, and technical excellence.

Gold: Music/Live Concert

The Old Red Trail Concert

Gold: Documentary/Historical Event

Our State Fair: The North Dakota Experience

Gold: Documentary/Historical Event

Prairie Churches

Gold: Nature/Environment

Out of the Air Into the Soil: Land Practices that Reduce Atmospheric Carbon



Prairie Public's radio news team is a recognized media leader

Radio-Television News Directors Association
Regional Murrow Award
News Feature **Hillary-Votes**
 Dave Thompson

Society of Professional Journalists 2008
Mark of Excellence Awards
Radio Feature **Bio-Diesel Bus**
 Prairie Public intern Nathan Matson
In-Depth Reporting **Ethanol Parts 1 and 2**
 Prairie Public intern Nathan Matson

National Public Radio
News Directors Inc Awards
2nd Soft Feature **St Baldrick's Day**
 Dave Thompson

Associated Press Broadcast Awards

1st Place Awards

- *General Reporting* **SDS Protest**
Danielle Webster
- *Feature* **St Baldrick's Day** Dave Thompson
- *Series Documentary* **Parks**
Danielle Webster and Dave Thompson
- *Political Reporting* **Hillary-Delegates**
Dave Thompson
- *Best Use of Sound* **Moorhead Orchestra**
Todd McDonald

2nd Place Awards

- *General Reporting* **Northwood**
Danielle Webster
- *Feature* **Car Mountain** Todd McDonald
- *Sports* **World Curling** Todd McDonald
- *Political Reporting* **Barack and Hillary**
Danielle Webster and Dave Thompson
- *Use of Sound* **Hybrid Chevy**
Todd McDonald

3rd Place Awards

- *General Reporting* **Veterans Services**
Todd McDonald
- *Feature* **Defend** Todd McDonald
- *Political Reporting* **Recount 1974**
Dave Thompson
- *Best Use of Sound* **Tree** Dave Thompson

FY 2009 Radio Highlights

With award-winning regional, national, and international news coverage, colorful features, and diverse music, 2009 was a year of listening excellence for Prairie Public's radio audience.

Prairie Public broadcasts live from cafés on your main street and from events across the region. Prairie Public's radio news team is a constant presence in the offices of newsmakers and policymakers, and offers intensified local coverage during the legislative sessions. In 2009, **High Risk High: Youth Drinking in North Dakota**, reports from the 2009 Climate Summit in Copenhagen, coverage of the International Climate Stewardship Solutions Conference in Bismarck, and expanding web resources, online streaming, podcasts, and archived audio opened a world of possibilities.

Aligned with more than 10 million people and over 560 radio stations, Prairie Public's listeners stay informed with NPR's award-winning news programs, including **Morning Edition**, **All Things Considered**, and **Marketplace**. And public radio's entertainment programs—including **This American Life**, **Car Talk**, and **A Prairie Home Companion**—are widely recognized for their innovation and invention.

With membership and the public's best interest at heart, it is only natural that public radio presents an authentic and distinct voice on the broadcast dial.



FY 2009 Education Services and Community Engagement Highlights

Education services are a vital component of Prairie Public's mission, so every day we broadcast programs for K-12 classrooms that are kid-engaging, standards-based, and teacher-friendly. A lending library, duplication services, digital video, lesson plans, and additional resources make the classroom programming convenient for busy teachers, too! More than 100,000 students in North Dakota and Minnesota benefit every year from these multi-media resources.

Teachers not only use our resources to enhance their students' learning, they also use them to enhance their own learning with **PBS TeacherLine Professional Development Courses**. Over the past several years, Prairie Public has partnered with regional universities and colleges to provide these curricular-based graduate credit courses through NDSU, UND, MSUM, and United Tribes Technical College.

In 2009, the education services department introduced **NDstudies.org**, a website where students and teachers find authoritative articles, photographs, maps, primary documents, and audio and video clips from more than 35 Prairie Public local productions.

Parents love Prairie Public's television programming for our youngest viewers—the award-winning programs are age appropriate, non-violent, and non-commercial. Prairie Public enhances these programs with free **Ready to Lead in Literacy** workshops that show parents, teachers, and childcare professionals how to use a multi-sensory teaching approach to impact kids and their learning.

Prairie Public also takes learning outside the classroom, to participate in outreach activities across the broadcast region that reinforce the joy of lifelong education. **Share A Story Literacy Events**, the **Reading Rainbow Young Writers and Illustrators Contest**, the **Teddy Bear Picnic**, and other events help encourage a child's natural curiosity and love of learning. Events for adults, such as the concerts Prairie Public brings to the region, premieres of local and national productions, and how-to workshops, reinforce Prairie Public's mission to educate, involve, and inspire the people of the prairie region.

The Prairie Public Broadcasting Family 2008-2009

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 (Treasurer), Fargo, ND
Rich Becker, Grand Forks, ND
Claudia Berg (Past Chair), Bismarck, ND
Rodney Biggs, Winnipeg, MB
Dan Buchanan (Secretary), Jamestown, ND
Karen Ehrens (Vice Chair), Bismarck, ND
Ray Holmberg, Grand Forks, ND
Thomas Iverson, Moorhead, MN
Sharon Johnson, Minot, ND
Scot Kelsh, Fargo, ND
Leslie Malcolmson, Winnipeg, MB
Andy Maragos, Minot, ND
Dave Monson, Osnabrock, ND
Mike Pole, Bismarck, ND
Albert Samuelson, Bismarck, ND
Reeh Taylor, Winnipeg, MB
Ken Zealand (Chair), 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 (Chair), Winnipeg, MB
Cindy Burgess, Dickinson, ND
Janet Daley Jury, Bismarck, ND
Carol Jean Larsen, Bismarck, ND
Randall Mann, Fergus Falls, MN
Joy Query (Vice Chair), 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. Six members are appointed by the partners of Prairie Public and serve terms at their discretion. The council also includes five members from the general public, nominated from the membership of Prairie Public by the council and approved by the Prairie Public Board. Public council members may serve two three-year terms.

Paul Ebeltoft, Dickinson, ND
Britt Jacobson, Valley City, ND
Kerry Kerber (Vice Chair), Grand Forks, ND
Mary Loyland, Grand Forks, ND
Joshua Reidy, Grand Forks, ND
Paul Nyren, Streeter, ND
Susan Podrygula, Minot, ND
Mike Pole, Bismarck, ND
Dr. Thomas Riley (Chair), Fargo, ND
Dr. Craig Schnell, Fargo, ND
Deb Syvertson, Willow City, ND
John E. Harris III (President & CEO),
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
Gordon Davis, New Salem School District
Jeff Fastnacht (Chair),
Ellendale Public Schools
Patrick Feist, Enderlin Area Schools
Dr. Robert Grosz, Fargo Public Schools
Larry Guggisberg,
Roseau Community Schools
Leslie Honebrink, St. Joseph's Catholic School
Dr. Paul Johnson, Bismarck Public Schools
Jason Kersten, Bottineau Public Schools
Dr. Dave Looyson, Minot Public Schools
David Monson (Past Chair),
Edinburg Public Schools
Dr. Larry Nybladh,
Grand Forks Public Schools
Steve Swiontek, Devils Lake Public Schools
Dr. Dana Wallace, West Fargo 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 9/30/09

	Television		Radio		PPB
	Amount	%	Amount	%	Total
Sources					
Membership	\$1,289,573	18%	\$337,264	18%	\$1,626,837
Underwriting	\$186,710	3%	\$179,841	9%	\$366,551
Corporation for Public Broadcasting ¹	\$1,010,228	14%	\$181,222	9%	\$1,191,450
Local Production Funding	\$305,271	4%	\$24,324	1%	\$329,595
State of North Dakota	\$1,019,626	14%	\$193,892	10%	\$1,213,518
State of Minnesota	\$386,472	5%	\$0	0%	\$386,472
Grants ¹	\$1,822,984	24%	\$560,823	29%	\$2,383,807
Fees, Rents	\$777,649	11%	\$283,505	14%	\$1,061,154
Charitable Gaming	\$478,211	7%	\$185,971	9%	\$664,182
Other	\$35,316	0%	\$25,428	1%	\$60,744
TOTAL SOURCES	\$7,312,040	100%	\$1,972,270	100%	\$9,284,310
Uses					
Programming & Production	\$2,208,855	34%	\$950,064	44%	\$3,158,919
Engineering	\$927,355	14%	\$207,703	10%	\$1,135,058
Administration	\$864,513	13%	\$336,199	16%	\$1,200,712
Fundraising	\$337,406	5%	\$67,007	3%	\$404,413
Long Term Debt Retirement	\$112,067	2%	\$43,581	2%	\$155,648
System Upgrade & Other	\$169,519	3%	\$512,295	24%	\$681,814
Change in Prairie Public Endowment	\$32,397	0%	\$12,599	1%	\$44,996
DTV System Construction	\$1,933,908	29%	\$0	0%	\$1,933,908
TOTAL USES	\$6,586,020	100%	\$2,129,448	100%	\$8,715,468
EXCESS (DEFICIT) SOURCES OVER USES	\$726,020		(\$157,178)		\$568,842

Financial data provided from Eide Bailly LLP audited financial statements of Prairie Public Broadcasting, Inc.

Note 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 \$1,532,759 for television and \$267,539 for radio.

Local support comprised of membership and underwriting is the largest source of unrestricted support for Prairie Public Broadcasting, Inc.

Business and Foundation Support

Prairie Public thanks the following businesses and foundations for investing \$1,000 or more in underwriting support for television and radio program services.

7th Avenue Auto Salvage
ABC Seamless
Advanced Engineering
& Environmental Services
AEG Live
Alex Stern Family Foundation
Amazing Grains
American Gold Gymnastics
Asper School of Business
Avant Hair & Skin Care Studio
Bartlett & West
Basin Electric Power Coop
Benedictine Health System
Bethany Retirement Living
Bismarck State College
Blue Cross Blue Shield/Noridian
Blue Moose Bar and Grill
BNSF Railway
Books on Broadway
Bremer Bank
Calm Air
Canad Inns Destination Center
Creative Kitchen
Curtis Tanabe, DDS
D's Supermarket
D. C. Thompson
Destination Churchill
DFC Consultants
EAPC
Edgewood Management Group
Edward Jones
Elim Rehab & Care Center
Eventide
Expressway Suites
Fair Hills Resort
Families USA
Family Vision Clinic
Farmers Union Insurance
Frontier Americana of Fargo
Gate City Bank
Good Samaritan Society
Great River Energy
Happy Harry's Bottle Shops
Hartz Foundation
Heart Institute of North Dakota
Hornbacher's Foods
Hotel Donaldson
Inn at the Forks
J & R Vacuum & Sewing Centers
Jade Presents
JAQ's Garage

Kallod Carpet & Furniture
Knight Printing
Lewis & Clark Fort Mandan Foundation
Lifetime Eyecare Associates
Lignite Energy Council/PAE
Logix
Lorie Line Music
Lundeen Foundation/
Victor Lundeen Company
Macdonald Youth Services
Medora Area CVB
Midcontinent Business Solutions
Mike's Pizza & Pub
Minot State University
Montana Office of Tourism
Nash Finch Company
Nilles Law Firm
Nitro Green
Nodak Mutual Insurance
North Dakota Association
of Rural Electric Coops
North Dakota Education Association
North Dakota Humanities Council
North Dakota Space Grant Consortium
North Dakota Teen Challenge
Northern Home Furniture & Design
Otter Tail Power Company
Park Christian School
Pearson Christensen & Clapp
Plum Creek
Prairie Business Magazine
Ramkota Hotel of Bismarck
Retina Consultants
Rhombus Guys
River City Jewelers
Scan Design
Sewing Machines Plus
Spirit Lake Casino
Spirit Room
St. Alexius Medical Center
Stained Glass Workshop
Tesoro Mandan Refinery
The Headwaters
United Automotive Tech Center
United Tribes Technical College
Urgent Med
Vaaler Insurance
Valley Imports
Via Rail Canada
Vogel Law Firm
West Acres Shopping Center

Investors Circle Support



Prairie Public gratefully thanks the following Investors Circle members, a dedicated group of donors who have made gifts totaling \$1,000 or more between October 1, 2008, and September 30, 2009.

Silver Investors • \$2,500 to \$4,999

Dr. Idatonye Afonya, Crookston, MN
G. W. Battershill, Winnipeg, MB
Joyce and Margaret Beggs, Winnipeg, MB
Dan and Francoise Buchanan, Jamestown, ND
Kent Conrad and Lucy Calautti, Washington, DC
Dr. Rosanne Gasse, Brandon, MB
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Gus and Mary Staahl, Fargo, ND
Patricia and Kenneth Zealand, Winnipeg, MB

Bronze Investors • \$1,000 to \$2,499

Gloria Y. Anderson, Fargo, ND
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Lloyd E. Anderson LP - Pinehurst, Bismarck, ND
John Andrist, Crosby, ND
Orlin and Millie Backes, Minot, ND
Ray and Barbara Bailey, Winnipeg, MB
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Noel and Judith Fedje, Fargo, ND
Dr. and Mrs. Calvin K. Fercho, Fargo, ND
Dr. Marcus and Margaret Fiechtner, Bismarck, ND
Dr. Walter and Carolyn Frank, Bismarck, ND
Reuben Gums, Jamestown, ND
Dorothy Gustafson, Detroit Lakes, MN
John and Suzanne Harris, Fargo, ND
Jonathan and Maniphone Haug, Grand Forks, ND
Heidi Heitkamp, Inc., Mandan, ND
Charles and Jean Herman, Fargo, ND
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Verlin Hinsz and Magdalene Chalkia, Fargo, ND
Andrew Ingalls, Fargo, ND
Thomas and Beth Iverson, Moorhead, MN
Richard and Audrey Kloubec, Fargo, ND
Drs. Kimberly T. Krohn and
John A. Fishpaw, Minot, ND
Carol Jean Larsen, Bismarck, ND
Magnum Manufacturing LLC, Amenia, ND
Robert L. Mason, Fargo, ND
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Mark Meier, Fargo, ND
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Drs. Douglas and Laura Munski, Grand Forks, ND
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Lee Nordin, Grand Forks, ND
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Paul and Anne Nyren, Streeter, ND
John and Rebecca Petrik, Bismarck, ND
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Anonymous, Anchorage, AK
Anonymous, Winnipeg, MB (4)
Anonymous, Hallock, MN
Anonymous, Bismarck, ND (2)
Anonymous, Fargo, ND
Anonymous, Grand Forks, ND
Anonymous, Jamestown, ND (2)

*deceased

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
Carla E. Gustafson, Fargo, ND
Paul Hunter, Winnipeg, MB
Carol Jean Larsen, Bismarck, ND
Barbara Owens, Bismarck, ND
Richard Owens, Bismarck, ND
Layton Raaen, Fargo, ND
Anonymous, Scottsdale, AZ
Anonymous, Winnipeg, MB (3)
Anonymous, Sabin, MN
Anonymous, Fargo, ND (4)
Anonymous, Grand Forks, ND (2)
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.

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, 2009, the fund had a balance of \$265,205.

Other Endowment Funds

Through endowed gifts from many sources, Prairie Public has established endowment funds at the foundations listed below. These professionally managed endowments provide annual interest income that helps ensure the ongoing operation of Prairie Public and maintain programming excellence in the prairie region. Prairie Public thanks those who have established or contributed to these endowed funds and recognizes these foundations for managing the funds at their institutions during fiscal year 2009.

Fargo-Moorhead Area Foundation *Fargo, North Dakota*

Dennis L. Falk Local Production Fund
Lucien L. Barnes and Edna Barnes Fund,

component of the
Fargo-Moorhead Area Foundation
Prairie Public Broadcasting Fund:
*American Hospital Association for
Small or Rural Hospitals
Evelo, Inc.
Anita Marquart Estate
Shirley Orn Weaver for Tom Orn Memorial
Raymond and Bernice Schramm Estate
Hattie Starcher Estate
Carol L. Stoudt Donor Advised Fund (II)*

The North Dakota Community Foundation *Bismarck, North Dakota*

Bremer Banks
Prairie Public Television Fund
Bismarck Prairie Public Television Fund:
*Otto Bremer Foundation
Ruth Landfield*

The Winnipeg Foundation *Winnipeg, Manitoba*

W. R. and Linda McQuade Endowed Fund
Prairie Public Television (Manitoba), Inc.

Endowed Funds:
*William O. Chubb
Lois Erickson
Margaret Houston
G. Warren and Lyn Keates
Lawrie Pollard*

Anonymous
Triple A Fund

Additional Support

A broad base of individual, corporate, and foundation support generates substantial municipal, state, and federal support for Prairie Public's services. Funds support operations, capital improvements, and specific outreach programs and productions. Prairie Public received support from the following in fiscal year 2009.

Mr. Robert Chabora
Corporation for Public Broadcasting
Division of Mental Health &
Substance Abuse Services of the North Dakota
Department of Human Services
Ducks Unlimited
Fargo-Moorhead Area Foundation
Fargo, West Fargo, and Moorhead
through an Arts Partnership grant
A. Flegel
GoodSearch
J.M. Kaplan Fund
Jamestown College
The Margaret A. Cargill Foundation
Nash Finch Company
North Dakota Council on the Arts
North Dakota Humanities Council
North Dakota State University
North Dakota State University Libraries
Germans From Russia Collection
Otto Bremer Foundation of St. Paul, Minnesota
Public Broadcasting Service
State Bank and Trust
State of Minnesota
State of North Dakota
Talaris Research Institute
Tri-College International Watershed (NDSU)
United Sugars Corporation
U.S. Department of Agriculture
Rural Utilities Service
U.S. Department of Commerce
Public Telecommunications Facilities Program
University of North Dakota
University of North Dakota Energy and
Environmental Research Center—
U.S. Department of Energy NETL Program
Winnipeg Foundation

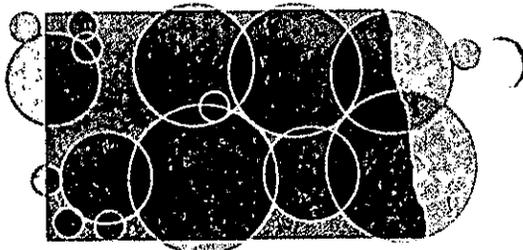
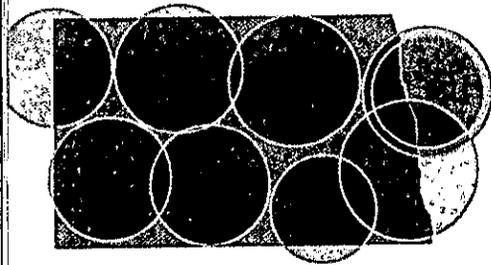
Matching Support

Your gift to Prairie Public helps us to qualify for matching grants from sources including the National Endowment for the Humanities. When you renew your membership in Prairie Public or give an additional gift, 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 visit info@prairiepublic.org.

Thank you to the businesses listed below that matched contributions made by their employees to Prairie Public.

3M Foundation
Burlington Northern Santa Fe Foundation
Gate City Bank
General Mills Foundation
IBM Corporation
ITW Foundation
Merrill Lynch & Co. Foundation
Microsoft Matching Gifts Program
The Prudential Foundation
Thrivent Financial for Lutherans
U.S. Bancorp
Washington Post
Xcel Energy Foundation

*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>
Brandon, Selkirk, Winnipeg MB . .	<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.

PPB1 Prairie Public's high definition schedule

PPB2 Standard definition simulcast of the high definition schedule

PPB3 Programs produced in and about North Dakota, Manitoba, Minnesota, and the region

PPB4 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
Harvey	91.9 fm
Hettinger	91.9 fm
Jamestown	91.5 fm
Minot	88.9 fm
Thief River Falls	88.3 fm
Tioga	91.9 fm
Williston	89.5 fm
Plentywood, MT	91.9 fm
Winnipeg MB	<i>Cable 107.9</i>

Listeners can choose from Prairie Public's two radio formats—*roots, rock, and jazz or classical*—with an HD radio receiver or online at www.prairiepublic.org.



Prairie Public Broadcasting, Inc.

Television
Radio
Education Services
Enterprises

Corporate Offices
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PO Box 3240
Fargo ND 58108-3240
701-241-6900 800-359-6900
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**Prairie Public Television
(Manitoba), Inc.**
PO Box 2640
Winnipeg MB R3C 4B3

www.prairiepublic.org
info@prairiepublic.org

WAVES



A program guide for members of **Prairie Public Broadcasting**
January 2011

Prairie Public television productions

◆ This month: Original premieres and member favorites



Byron Dorgan in the Halls of Congress

A cinema verite-style chronicle of two days in the life of a North Dakota Senator

◆ Monday, January 17, at 8:00 p.m. (CT)

A Photographer's View of Iceland Monday, January 3, at 9:30 p.m. (CT) ◆ A high-definition tour of the island country with photographer Wayne Gudmundson

It's All Earth and Sky Tuesday, January 4, at 9:00 p.m. (CT) ◆ Insights on becoming American through the eyes of Germans from Russia

Homesteading Tuesday, January 11, at 7:00 p.m. (CT) ◆ Homage to the people who struggled and succeeded in establishing communities on the prairies

Hydrogen: Nature's Fuel Wednesday, January 12, at 9:00 p.m. (CT) ◆ An investigation of hydrogen as a renewable energy resource

Bill Holm: Through the Windows of Brimnes Friday, January 14, at 8:30 p.m. (CT)

◆ This Minnesota poet, essayist, and musician escapes to Iceland to create and contemplate

Prairie Mosaic Thursday, January 27, at 8:00 p.m. (CT) ◆ An entertaining chronicle of Minnesota and North Dakota artists, culture, and history

Prairie Pulse Fridays at 7:30 p.m. (CT)

◆ Prairie Public's weekly community affairs program

North Dakota Legislative Review Fridays at 8:00 p.m. (CT), beginning January 14 ◆ A summary and evaluation of the week's work at the capitol

A Considered View: The Photography of Wayne Gudmundson Monday, January 31, at 9:00 p.m. (CT) ◆ Examines his work's cultural significance and ability to capture North Dakota's "sense of place"

Member News

Is estate planning one of your New Year's resolutions?

With the start of a new year, many of us think about making New Year's resolutions such as eating healthier, exercising, or learning a new skill.

One resolution you may want to make is to develop an estate plan or to update an existing one.

Topics you may want to discuss with your estate attorney or financial planner include making a will, how to transfer wealth to reduce estate taxes, establishing a guardian for minor children, setting up a trust to manage money for minor children, establishing a durable power of attorney and health-care directive, and making charitable contributions.

Making gifts of money, land, or other valuables is one way to reduce the size of your taxable estate.

Through the years, many individuals have found estate gifts to be an excellent method of benefiting their favorite charitable organizations, like Prairie Public. In addition to personal satisfaction, such gifts offer a major planning opportunity to minimize estate taxes and to reduce the need for liquidity.

Learn how appropriate and personalized planning can afford you the opportunity for present and future financial security for yourself, your loved ones, and your charitable interests. Request our free booklet, "Better Estate Planning," by contacting Ann Clark, director of development, at 800-359-6900, ext. 510, or at aclark@prairiepublic.org.

Please remember Prairie Public Broadcasting in your will and trusts.

Come to see us at one of these events

Contact us for details!

January

21: Prairie Bee spelling bee

—Fargo

29: Celtic Crossroads concert

—Grand Forks

February

11-12: Winnipeg Mardi Gras

—Winnipeg

26-27: Baby & Kids Show

—Winnipeg

April

21: Celtic Woman concert

—Fargo

May

14: Riverdance concert

—Bismarck

15: Riverdance concert

—Fargo

16: Daniel O'Donnell concert

—Grand Forks

What's this?



This icon will be printed every month on this page of WAVES. Scan it with your mobile phone's barcode reader, then see where it takes you!

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 our website!

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207 North Fifth Street, P.O. Box 3240
Fargo, ND 58108-3240



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 National Public Radio, a network owned by its member stations.

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ADDRESS SERVICE REQUESTED



The 'stuff' of the future

*Tune in Wednesdays at 8:00 p.m. (CT),
beginning January 19*

Invisibility cloaks. Spider silk that is stronger than steel. Plastics made of sugar that dissolve in landfills. Self-healing military vehicles. Smart pills and micro-robots that zap diseases. What will the future bring, and what will it be made of?

NOVA's fascinating new four-hour series, **Making Stuff**, takes us on a thrilling tour of the material world we live in, and focuses on the personal qualities that underlie the process of invention—the visionary talent, sheer luck and dogged determination that turn a wild idea into a cutting-edge material.

Making Stuff: Stronger January 19

Are Kevlar and carbon nanotubes the way of the future, or will the powerful properties discovered in natural spider silk one day replace steel?

Making Stuff: Smaller January 26

Could we one day have robots taking "fantastic voyages" in our bodies to kill rogue cells?

Making Stuff: Cleaner February 2

How can we clean up our world? Is hydrogen the way to go? What about lithium batteries?

Making Stuff: Smarter February 9

What can nature teach us about building smarter materials? Can we create materials that sense and respond?

Salary Increase History		
Date	Amount	Specific Provisions
7/1/83	2%	Retirement Contribution in lieu of salary increase
5/1/84	\$60/mo	Not appropriated but allowed by Governor within available agency funds
7/1/84	2%	Retirement Contribution in lieu of salary increase
4/1/85	5.50%	Minimum increase of \$50
7/1/86	4%	Minimum increase of \$50
7/1/87	0	
7/1/88	0	
7/1/89	7.10%	Minimum increase of \$50
7/1/90	0	
7/1/91	4%	Minimum increase of \$50
7/1/92	\$40/mo	Averaged approximately 2%
7/1/93	\$60/mo	Averaged approximately 3.2%
7/1/94	3%	
7/1/95	2%	
7/1/96	3%	2% across the board; 1% for performance, range compression, & equity
7/1/97	3%	\$30 across the board; remainder of 3% approp based on merit & equity
7/1/98	3%	Same as 1997
7/1/99	2%	\$35 across the board; remainder of 2% approp based on merit & equity; plus \$5.4 million Market/Equity Fund
7/1/00	2%	\$35 across the board; remainder of 2% approp based on merit & equity (additional 1% allowed with funding from existing appropriations)
7/1/01	3%	\$35 across the board; remainder of 3% approp based on merit & equity; plus \$5.0 million Market/Equity Fund
7/1/02	2%	\$35 across the board; remainder of 2% approp based on merit & equity
7/1/03	0	
7/1/04	0	
7/1/05	4%	Across-the-Board
7/1/06	4%	Across-the-Board
7/1/07	4%	Min \$75 inc; remainder based on merit & equity; plus \$10 million Market/Equity Fund
7/1/08	4%	Min \$75 inc; remainder based on merit & equity.
7/1/09	5%	Min \$100 inc; remainder based on merit & equity; plus \$23 million Market/Equity Fund
7/1/10	5%	Min \$100 inc; remainder based on merit & equity

HRMS Mission
To provide leadership and expertise in human resource management.

HRMS's primary responsibility is to provide "... a unified system of personnel administration for the classified service ..."

Beyond the basic framework of human resource management policies (rules), job classification, and salary ranges, HRMS provides assistance to agencies in their ongoing management of human resources. HRMS services include:

- Management Consulting
- Supervisor/Employee Training
- Employee Compensation
- Recruitment/Selection Assistance
- Mediation
- Legislative & Regulatory Compliance
- Performance Management Tools
- Model Policies, Handbooks, & Guides

HRMS also makes current information readily available to agencies via the world wide web at: www.nd.gov/hrms

HRMS offices are located on the 14th Floor of the State Capitol.

Phone Number: (701) 328-3290

FAX: (701) 328-1475

Please feel free to contact any HRMS staff member:

Name	Phone	Name	Phone
Laurie Steriotti	328-4735	Ken Purdy,	328-4739
Hammeren, Director		Compensation Mgr	
Virginia Rivinius,	328-3374	Kim Wassim,	328-4737
HR Officer		HR Officer	
Leanne Schmidt,	328-4738	Lynn Hart,	328-3363
HR Officer		HR Officer	
Teresa Bauer,	328-1016	Jason Suthermer,	328-3357
HR Officer		HR Officer	
Linda Jensen,	328-3299	Gerard Schwan,	328-1638
Training Dir		Training Officer	
Darin Schorsch,	328-3347	Maureen Vosberg,	328-3299
HR Business Analyst		Office Mgr	

NORTH DAKOTA STATE EMPLOYEE FACT SHEET

December 2010

This fact sheet is provided by Human Resource Management Services (HRMS) to give a snapshot of state employment. Data is from a variety of sources and over several months. While details of employment change daily, this data is an accurate overall reflection of State employment.

The 7,141 state employees in positions classified by HRMS are employed in over 50 separate state agencies. 90% of classified employees work in 16 agencies with over 100 employees. The remaining employees work in agencies ranging from 1 to 81 employees.

Agencies > 100 Employees	# Classified Employees
Dept of Human Services	2,197
Dept of Transportation	1,032
Dept of Cor. & Rehab	699
Health Dept	329
Information Tech Dept	305
Job Service ND	261
WSI	231
Highway Patrol	185
Dept of Public Inst	177
Adj Gen/Natl Guard	170
Game & Fish	155
Attorney General	162
Bank of ND	141
Tax Dept	126
Office of Mgmt & Budget	123
Veterans Home	107

Average Classified State Employee							
	Years of Age	Years of Service	Annual Salary	Actual Increase	Appropriated	Compa-Ratio	Notes
Jan 1997	43	12.2	26,273	3.1%	3.0%		
Jan 1998	43.8	12.1	27,034	2.9%	3.0%	0.98	
Aug 1998	44	12.1	27,963	3.4%	3.0%	0.97	
Nov 1999	44.2	12.2	28,880	3.2%	2.0%	0.96	(1)
Aug 2000	44.4	12.3	29,993	3.9%	2.0%	0.97	(2)
Aug 2001	44.8	12.5	31,467	4.9%	3.0%	0.96	(1)
Dec 2002	45.4	12.6	32,262	2.5%	2.0%	0.96	
Dec 2003	45.7	13.2	32,627	1.1%	0.0%	0.96	
Dec 2004	45.9	13.2	32,604	0.0%	0.0%	0.96	
Dec 2005	46.1	13.6	34,158	4.8%	4.0%	0.96	(3)
Dec 2006	46.2	13.4	35,640	4.3%	4.0%	0.96	
Dec 2007	46.2	13.2	37,834	6.2%	4.0%	0.95	(4)
Aug 2008	46.4	13.2	39,622	4.7%	4.0%	0.96	
Aug 2009	46.8	13.4	42,382	6.9%	5.0%	0.96	(5)
Dec 2010	46.6	13.2	44,698	5.5%	5.0%	0.96	

(1) Included 1999 & 2001 Market/Equity Funds (\$5.4 & \$5.0 mil respectively)
 (2) Included authorization for agencies to self-fund additional 1.0%
 (3) Leg approp included \$1.5 mil for DOCR & \$413,000 for Hwy Patrol
 (4) Included Market/Equity Fund (\$10 mil)
 (5) Included Market/Equity Fund (\$23 mil)

NORTH DAKOTA STATE EMPLOYEE FACT SHEET

Classified employees under HRMS (ND's civil service) are covered by basic 'rules' adopted by HRMS. The rules provide consistent employment conditions regardless of size, function, or location of agency. The rules guide equitable pay, open competitive selection, and protection from arbitrary personnel actions.

Non-Classified employees do NOT have employment rights under HRMS. The terms and conditions of employment vary by agency, category of employee, or by individual employee.

Employees under the University System are covered by and subject to the policies adopted by the State Board of Higher Education.

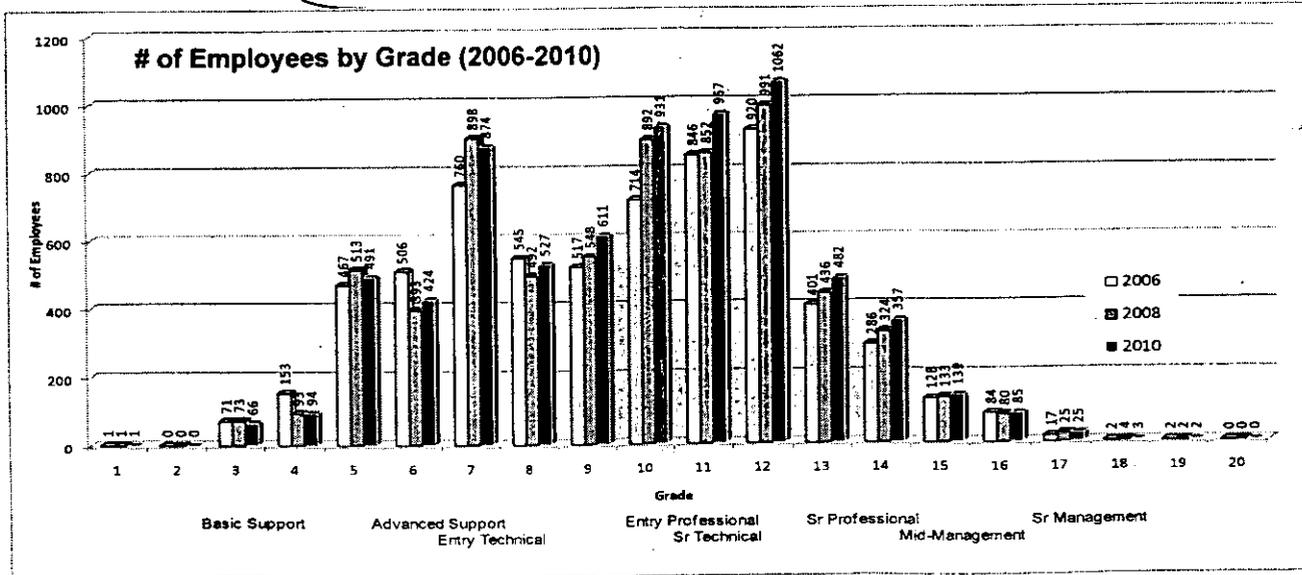
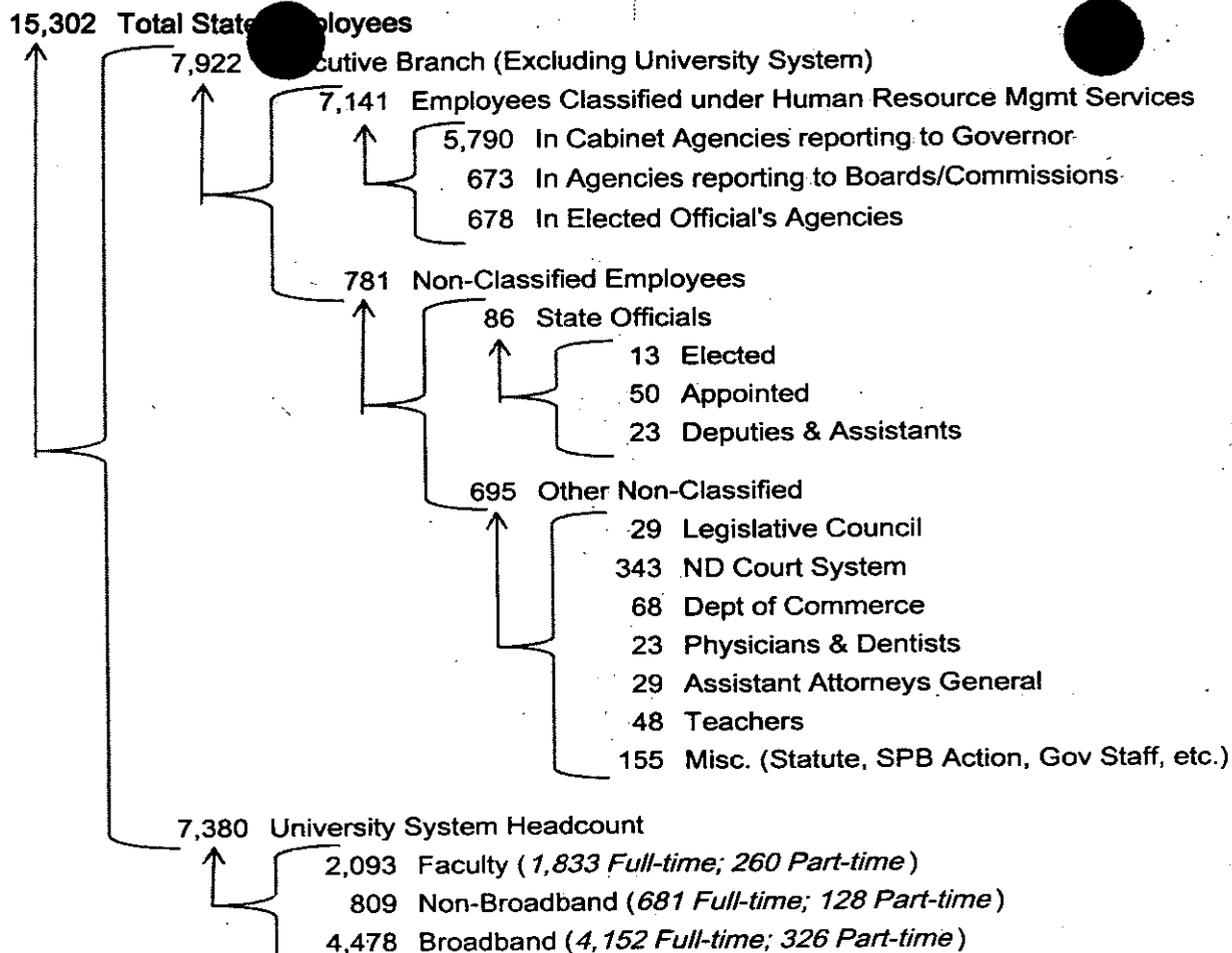
Classified Employee Salary Distribution	# of Employees	Percent
\$15,000 to \$20,000	14	0.2%
\$20,000 to \$25,000	364	5.1%
\$25,000 to \$30,000	771	10.8%
\$30,000 to \$35,000	906	12.7%
\$35,000 to \$40,000	1,087	15.2%
\$40,000 to \$45,000	967	13.5%
\$45,000 to \$50,000	845	11.8%
\$50,000 to \$55,000	648	9.1%
\$55,000 to \$60,000	442	6.2%
\$60,000 to \$65,000	367	5.1%
\$65,000 to \$70,000	244	3.4%
\$70,000 to \$75,000	140	2.0%
\$75,000 to \$80,000	132	1.8%
\$80,000 to \$85,000	96	1.3%
\$85,000 to \$90,000	30	0.4%
\$90,000 to \$95,000	34	0.5%
\$95,000 to \$100,000	33	0.5%
\$100,000 to \$105,000	11	0.2%
\$105,000 to \$110,000	5	0.1%
\$110,000 to \$115,000	2	<0.1%
\$115,000 to \$120,000	2	<0.1%
\$120,000 to \$125,000	1	<0.1%
Total	7,141	

In the North Dakota General Workforce:

- 84% of workers have completed high school
- 22% have bachelors degrees or beyond

In the Classified workforce of the state:

- 99% have completed high school
- 85% have formal ed'n or trade school beyond hs
- 55% have a bachelors degree or beyond





NORTH DAKOTA
PUBLIC EMPLOYEES ASSOCIATION

AMERICAN FEDERATION
OF TEACHERS LOCAL 4660 AFL-CIO



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Testimony Regarding Senate Bill 2015
Before the Senate Appropriations Committee
Gary Feist, President, NDPEA
January 25, 2011

Good morning Chairmen Holmberg and members of the Senate Appropriations Committee. My name is Gary Feist. I am the President of the North Dakota Public Employees Association and a member of the State Employee Compensation Commission. I want to commend you for making state employee salaries a priority during the last two legislative sessions and the effort that has been made to move state employee salaries closer to market. While employees are very appreciative of the Governor's budget recommendation that continues the fully funded health care premium, and the additional contribution to the defined benefit retirement plan we believe there are changes to this bill that will enable the state to continue its progress of becoming more competitive in retaining and recruiting quality employees.

During the interim the Hay Group completed a study that showed state employee salaries still lagging the market by as much 10% to 12%. The recommendation of the Hay Group indicates that it should be a priority to move salaries to market which I'm not sure this compensation package does. We have many job titles where agencies struggle to file positions because the salary lags the market. The state is also having difficulty hiring employees in western North Dakota because of the oil boom and the competition for workers. While we all know we will not be able to pay the salaries that are being paid by the oil companies we need to try to remain as competitive as possible.

It has been the focus of the legislature to implement a compensation plan that is performance based which was also an integral part of the Hay Group's recommendations. It was noted in the Hay report that if the state only has 2% for compensation that the increases should be across the board because the time and resources necessary to implement the performance plan would outweigh the benefit and employees should receive a cost of living adjustment.

While state employees appreciate the compensation plan included in SB 2015 we also believe that it is important that the state continue to move forward with its effort to close the market pay gap which will enable the state to retain and recruit the quality employees it will need to provide the quality services that the citizens of North Dakota have come to expect and deserve to make their lives better.

Quality Services from Quality People

Testimony

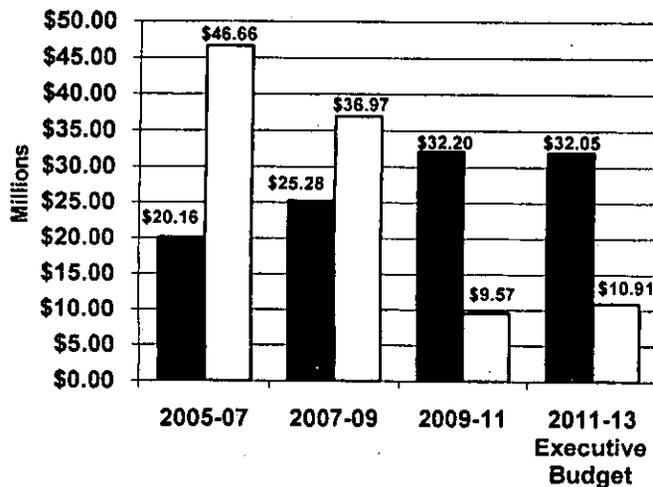
Department 110 - Office of Management and Budget
Senate Bill No. 2015

	FTE Positions	General Fund	Other Funds	Total
2011-13 Executive Budget	131.50	\$32,050,837	\$10,914,461	\$42,965,298
2009-11 Legislative Appropriations	132.50	32,197,196	9,569,448	41,766,644 ¹
Increase (Decrease)	(1.00)	(\$146,359)	\$1,345,013	\$1,198,654

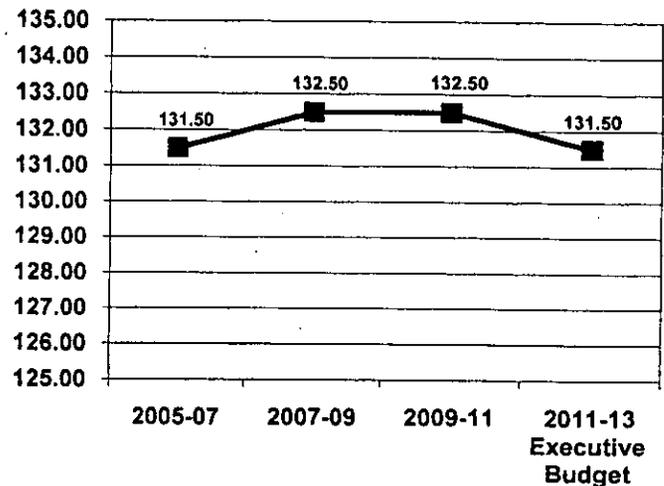
¹The 2009-11 appropriation amounts do not include \$1,809,671 of capital construction carryover authority, \$1,577,375 of fiscal management carryover authority, or \$37 million of funding carried over for the state disaster relief fund. The amounts also do not reflect \$17,134 of funding allocated to other agencies through the state internship program or \$18,421 of funding allocated to other agencies from the state contingencies fund.

NOTE: The 2009-11 legislative appropriation amounts have been reduced to reflect the \$9 million general fund and \$6.984 million other funds allocations from the salary equity funding pool appropriated to the Office of Management and Budget (OMB) for special market equity adjustments for executive branch state employees. The 2009-11 appropriation amounts reflect OMB's share of the equity pool which was \$131,034, of which \$90,000 is from the general fund.

Agency Funding



FTE Positions



■ General Fund □ Other Funds

Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2011-13 Executive Budget	\$29,200,837	\$2,850,000	\$32,050,837
2009-11 Legislative Appropriations	27,213,055	4,984,141	32,197,196
Increase (Decrease)	\$1,987,782	(\$2,134,141)	(\$146,359)

First House Action

Attached is a summary of first house changes.

Executive Budget Highlights
(With First House Changes in Bold)

	General Fund	Other Funds	Total
Administration			
1. Adds one-time funding for a temporary position and operating costs to assist in planning for the state's 125 th anniversary	\$50,000		\$50,000
2. Removes one-time funding provided in the 2009-11 biennium for extraordinary repairs, equipment, and other projects	(\$5,359,141)	(\$1,637,420)	(\$6,996,561)
3. Removes one-time federal fiscal stimulus funding provided in the 2009-11 biennium		(\$683,681)	(\$683,681)
4. Provides \$700,000 of funding for the state contingencies fund, the same amount as provided for the 2009-11 biennium			

5. Provides \$200,000 of funding for the state student internship program, the same amount as provided for the 2009-11 biennium

Fiscal Management

1. Removes 1 FTE accounting and budget specialist position related to the ConnectND project and reallocates the funding for information technology costs
2. Adds funding for fiscal management information technology costs \$875,000 \$875,000

Facility Management

1. Adds one-time funding from the Capitol building fund for exterior signage projects on the Capitol grounds \$400,000 \$400,000
2. Adds one-time funding from the Capitol building fund for legislative wing brass and wood restoration projects \$1,000,000 \$1,000,000
3. Adds one-time funding from the Capitol building fund to remodel the Capitol Café and cafeteria hallway \$700,000 \$700,000
4. Adds one-time funding from the Capitol building fund to remodel the south entrance to the Capitol building \$900,000 \$900,000
5. Adds one-time funding for exterior repairs to the Capitol building \$2,800,000 \$2,800,000
6. Reallocates 2 FTE maintenance staff positions and provides additional maintenance funding due to the Heritage Center expansion project \$279,250 \$279,250
7. Includes funding for extraordinary repairs relating to Liberty Memorial Building improvements (\$650,000), Capitol building mechanical repairs and improvements (\$628,000), and parking lot repair (\$400,000) \$1,678,000 \$1,678,000

Central Services

1. Adds funding for surplus property business processing information technology software \$100,000 \$100,000

Human Resource Management Services

1. Includes funding for software maintenance costs of the state employee staff evaluation information technology program \$54,000 \$54,000

Risk Management

No major changes as compared to 2009-11 legislative appropriations

The following is a comparison of funding from the general fund for statewide dues and memberships:

	2009-11	2011-13
Commission on Uniform State Laws (This budget includes travel costs, conference registration, and annual dues.)	\$146,000	\$151,000
Council of State Governments	168,000	182,000
Government Accounting Standards Board	6,000	6,000
Western Governors Association	74,300	74,300
National Governors Association	81,500	81,500
Midwest Governors Association	20,000	0
National Lieutenant Governors Association	1,200	1,200
Education Commission of the States	114,000	115,000
Total dues and memberships	\$611,000	\$611,000

Other Sections in Bill

Lands and minerals trust fund transfer - Section 3 provides for a transfer of \$239 million from the lands and minerals trust fund to the general fund during the 2011-13 biennium.

Permanent oil tax trust fund transfer - Section 4 provides for a transfer of \$232 million from the permanent oil tax trust fund to the general fund during the 2011-13 biennium.

Property tax relief transfer - Section 5 provides for a transfer of \$388,580,000 from the permanent oil tax trust fund to the property tax relief sustainability fund.

Unexpended appropriation continuation - Section 6 provides that amounts appropriated to the fiscal management section in 2009 House Bill No. 1015 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 8 authorizes the Human Resource Management Services division to transfer funds appropriated for the state student internship program to other agencies.

State employee compensation adjustments - Section 9 provides legislative intent that agency appropriations are increased by 4 percent on July 1, 2010, and by 1 percent on July 1, 2011, relating to state employee compensation for the 2011-13 biennium. 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.

Continuing Appropriations

Risk management fund - Chapter 32-12.2 - Risk fund to timely settle claims and lawsuits.

Risk management workers' compensation fund - Section 65-04-03.1 - 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 - Capitol grounds planning fund.

Preliminary planning revolving fund - Section 54-27-22 - Preliminary planning revolving fund for state agencies.

Postage revolving fund - Chapter 48-06 - Purchase postage for postage machines in central mailroom.

Indigent civil legal services fund - Section 54-06-20 - Indigent civil legal services.

Central Services fund - Section 54-44-04 - Central supply revolving fund.

Significant Audit Findings

The 2008 and 2009 audits of the state Comprehensive Annual Financial Report included an audit finding that there was a lack of adequate resources devoted to financial reporting. The audit recommended OMB dedicate adequate resources to financial statement preparation to ensure professional staff have the time to prepare the financial statements timely with fewer errors.

Major Related Legislation

House Bill No. 1031 - Classified state employee compensation system - Requires OMB to implement various initiatives relating to the classified state employee compensation system.

House Bill No. 1119 - Risk management fund - Vehicle liability coverage - Allows higher education institutions to receive liability coverage through the risk management fund for vehicles operated by students as part of an educational course.

House Bill No. 1426 - Provides that state employee meal reimbursement rates are to be set by OMB at a rate equal to 65 percent of the rate established by the United States General Services Administration for meals in the state.

ATTACH:1



STATEMENT OF PURPOSE OF AMENDMENT:

enate Bill No. 2015 - Funding Summary

	Executive Budget	Senate Changes	Senate Version
Office of Management and Budget			
Salaries and wages	\$18,517,763		\$18,517,763
Operating expenses	13,765,254		13,765,254
Capital assets	8,390,143	1,000,000	9,390,143
Grants	55,000		55,000
Emergency Commission contingency fund	700,000		700,000
Prairie Public Broadcasting	1,337,138	500,000	1,837,138
State student internship program	200,000		200,000
Total all funds	\$42,965,298	\$1,500,000	\$44,465,298
Less estimated income	10,914,461	0	10,914,461
General fund	\$32,050,837	\$1,500,000	\$33,550,837
FTE	131.50	0.00	131.50
Bill Total			
Total all funds	\$42,965,298	\$1,500,000	\$44,465,298
Less estimated income	10,914,461	0	10,914,461
General fund	\$32,050,837	\$1,500,000	\$33,550,837
FTE	131.50	0.00	131.50

enate Bill No. 2015 - Office of Management and Budget - Senate Action

	Executive Budget	Senate Changes	Senate Version
Salaries and wages	\$18,517,763		\$18,517,763
Operating expenses	13,765,254		13,765,254
Capital assets	8,390,143	1,000,000	9,390,143
Grants	55,000		55,000
Emergency Commission contingency fund	700,000		700,000
Prairie Public Broadcasting	1,337,138	500,000	1,837,138
State student internship program	200,000		200,000
Total all funds	\$42,965,298	\$1,500,000	\$44,465,298
Less estimated income	10,914,461	0	10,914,461
General fund	\$32,050,837	\$1,500,000	\$33,550,837
FTE	131.50	0.00	131.50

Department 110 - Office of Management and Budget - Detail of Senate Changes

	Adds Funding for Parking Lot Repairs ¹	Adds Funding for Prairie Public Broadcasting ²	Total Senate Changes
Salaries and wages			
Operating expenses			
Capital assets	1,000,000		1,000,000
Grants			
Emergency Commission contingency fund			
Prairie Public Broadcasting		500,000	500,000
State student internship program			
Total all funds	\$1,000,000	\$500,000	\$1,500,000
Less estimated income	0	0	0
General fund	\$1,000,000	\$500,000	\$1,500,000
FTE	0.00	0.00	0.00

¹ One-time funding is added for Capitol complex parking lot repairs.

² One-time funding of \$500,000 is added for the Prairie Public Broadcasting studio renovation project.

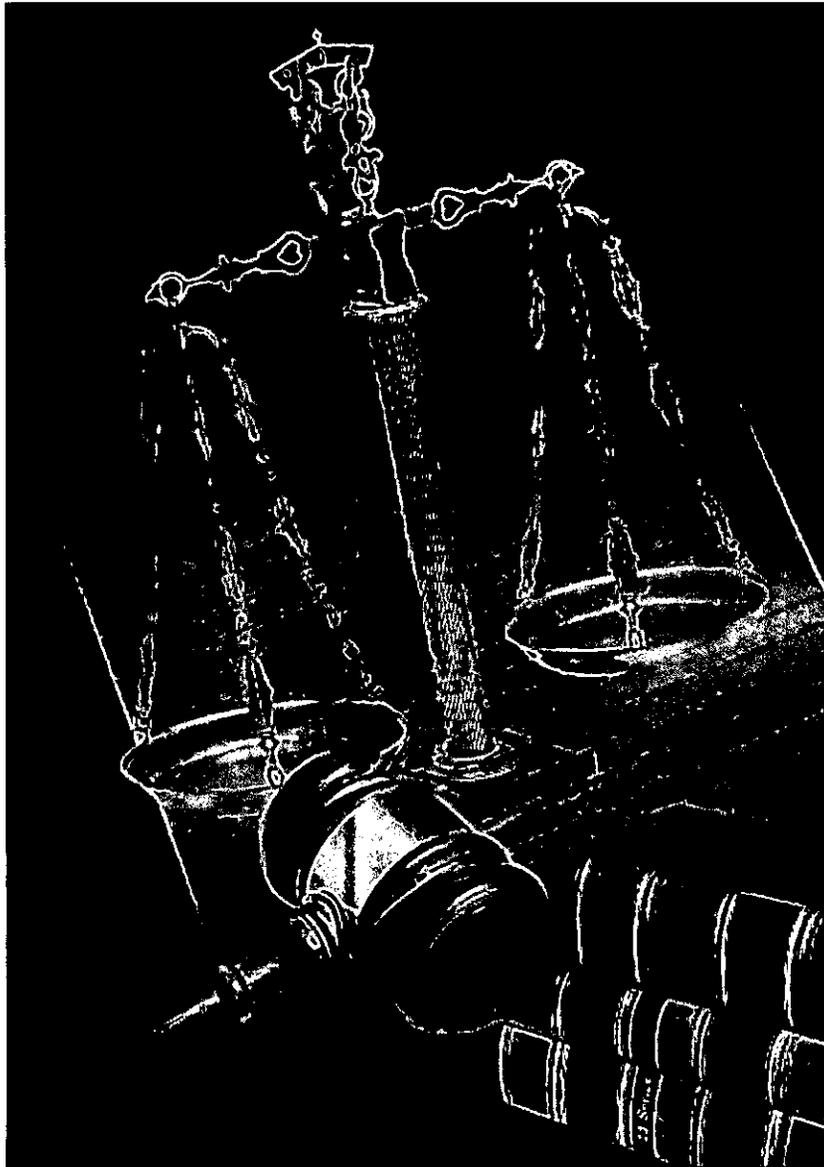
This amendment also:

- Adjusts Section 2 relating to one-time funding amounts for Capitol complex parking lot repairs and the Prairie Public Broadcasting studio renovation project.
- Removes Section 6 which transfers \$370.6 million from the permanent oil tax trust fund to the state highway fund in Section 12 providing the related emergency clause.
- Removes Section 7 which transfers \$60 million from the current earnings and undivided profits of the Bank of North Dakota to the general fund.
- Adjusts Section 11 to provide intent that funding is provided to each state agency for a 4 percent state employee salary increase on July 1, 2011, and for a 1 percent state employee salary increase on July 1, 2012. The Governor recommended a 3 percent increase for each year of the biennium. Eligibility guidelines for the salary increases are not changed.

2015.3.9.11A

Office of Management and Budget

Testimony on Senate Bill 2015



House Appropriations Committee

Government Operations Division

March 9, 2011

Testimony on SB 2015
Pam Sharp, Director
Office of Management and Budget
March 9, 2011

Good morning Chairman Thoreson and members of the House Appropriations Government Operations Division 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 review some of the specific sections in SB 2015. Following the division directors' testimony, Mr. John Harris, from Prairie Public Television will provide his testimony.

FTEs

OMB currently has 132.5 legislatively authorized FTEs. We are requesting 131.5 FTEs for the 2011-13 biennium. Within the request of 131.5 FTEs, we have internally eliminated two vacant FTE positions in the Central Services Division and reallocated those two FTEs to Facility Management to be reclassified to a custodian and a systems mechanic II for the Heritage Center expansion. That eliminates the need for us to ask for two new FTEs that will be required once the expansion of the Heritage is completed. In addition, we have eliminated a vacant FTE position in the Fiscal Management Division.

2009-11 Appropriation

OMBs current general fund appropriation authority is \$32,197,196; and we estimate we will spend \$31,111,345. The general fund variances are as follows:

Salaries and Benefits	\$ 285,000	Vacant FTE, use of ARRA funds, turnover needed for carryover to maintain state systems
IT Data Processing	765,000	

Special fund variances of about \$1.3 million are as follows:

Salaries and Benefits	\$ 500,000	Remaining unemployment \$ and vacant FTEs
Operating	490,000	Special fund operations – volume of business
Federal Stimulus	269,494	Admin. costs related to ARRA and searchable data base costs less than anticipated

2009-11 One-time Funding Status

OMB received \$2,850,000 of one time funding for capitol restoration and building repairs. All of this will be spent.

OMB also received \$1,000,000 for PeopleSoft modules. Currently \$450,000 has been spent on Enterprise Learning Management and Business Intelligence and \$350,000 will be spent on Candidate Gateway.

Prairie Public received \$2,016,100 for digital conversion and all of that has been spent. In addition, OMB will spend about \$420,000 of the nearly \$690,000 in federal stimulus funding for a searchable data base and administrative costs related to tracking stimulus dollars for the state.

2011-13 Budget Request – General Fund

Salary and Benefits

Salary compensation package	\$	748,015
Continuation of 2009-11 5% increase		261,689

One-time Funding request

Temp Salary for ND 125 th Anniversary Coordinator	\$	50,000
Capitol Envelope Project		2,800,000

2011-13 Budget Request – Special Funds

Salary and Benefits

Salary compensation package	\$	147,416
Continuation of 2009-11 5% increase		55,637

Capitol Restoration projects – funded

From Capitol Building Fund	\$	3,000,000
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Senate Changes

A section was removed that would have transferred \$370,600,000 from the permanent oil tax trust fund to the highway. That amount represents \$228,600,000 for state road projects in oil country and \$142,000,000 for county and township road projects. My understanding is that Senate Appropriations wanted to deal with the transfer language at the same time they heard the Department of Transportation's budget.

The section that would have transferred \$60,000,000 from the Bank of North Dakota to the general fund was removed.

After the power outage in January, we hired Ulteig Engineering to study and tell us the best corrective action to deal with the electrical distribution system and mechanical systems to ensure we don't have another power outage that could affect statewide systems. The estimate for the corrective action is \$2.3 million. We discussed this situation with Representative Carlson and Senator Stenehjem and suggested we fund the improvements in the current biennium. Doing so would mean we would not be able to do the north parking lot as planned, and would not be able to do improvements to the judicial wing as planned. The north parking lot will cost \$1 million and the judicial wing improvements will cost \$1.3 million.

The Senate added \$1 million to OMB's 2011-13 budget for the north parking lot. OMB will request funding to address the needs of the judicial wing in the 2013-15 biennium. Leadership is agreeable to this plan.

Senate Appropriations also added \$500,000 for one-time expenditures to Prairie Public Broadcasting.

Finally, the Senate changed the compensation package for state employees from a 3% and 3% increase to a 4% and 1% increase.

Senate Bill 2015 Section Highlights

Section 3 transfers \$239,000,000 from the lands and minerals trust fund to the general fund.

Section 4 transfers \$232,000,000 from the permanent oil tax trust fund to the general fund. This transfer is the equivalent of the \$140,000,000 transfer to the general fund in the current biennium.

Section 5 transfers \$388,580,000 from the permanent oil tax trust fund to the property tax relief sustainability fund. \$46,800,000 of that amount is to be added to the current balance of \$295,000,000 to fund property tax for the 2011-13 biennium. The remaining amount of \$341,800,000 is to provide for property tax relief for the 2013-15 biennium.

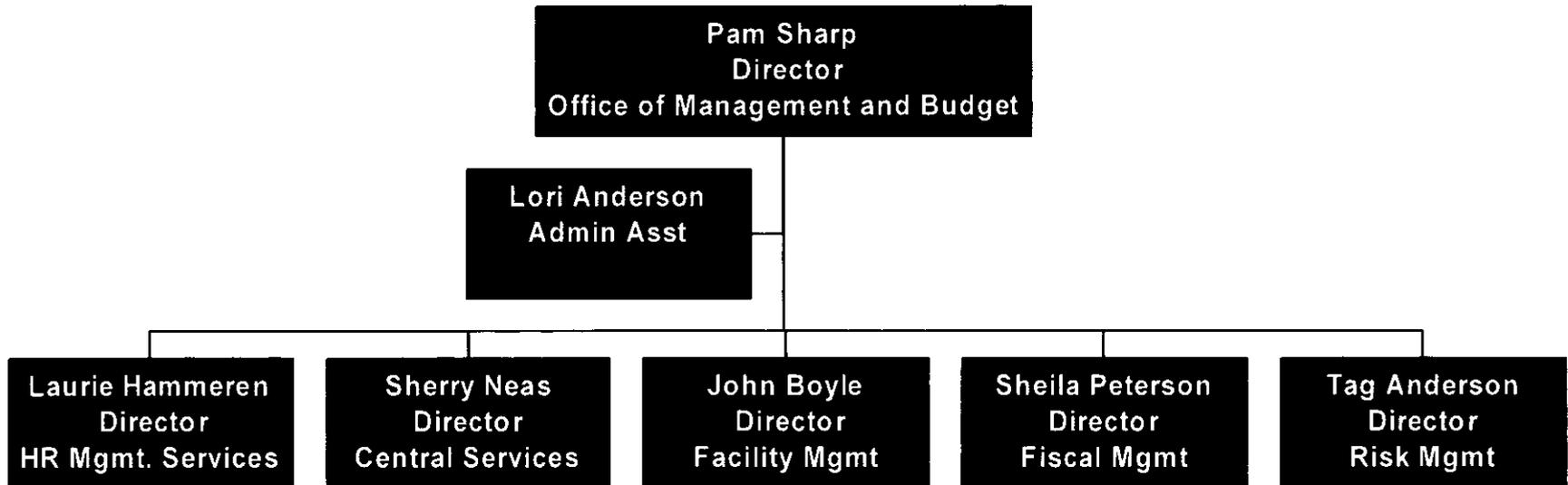
Section 6 provides for carryover authority for the fiscal management division of OMB. We have had this authority for several bienniums. The purpose of this carryover is to have funds available to deal with any development or operating costs necessary for managing the statewide systems OMB is responsible 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 keep the systems going.

Section 7 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 8 allows HRMS to transfer appropriation authority to eligible agencies for the state student internship program. This is a \$200,000 appropriation. In the current biennium, the same amount was appropriated and all the funds will be spent before the end of the biennium. Typically, up to half of the funding required for a student internship in an agency could be funded from this program.

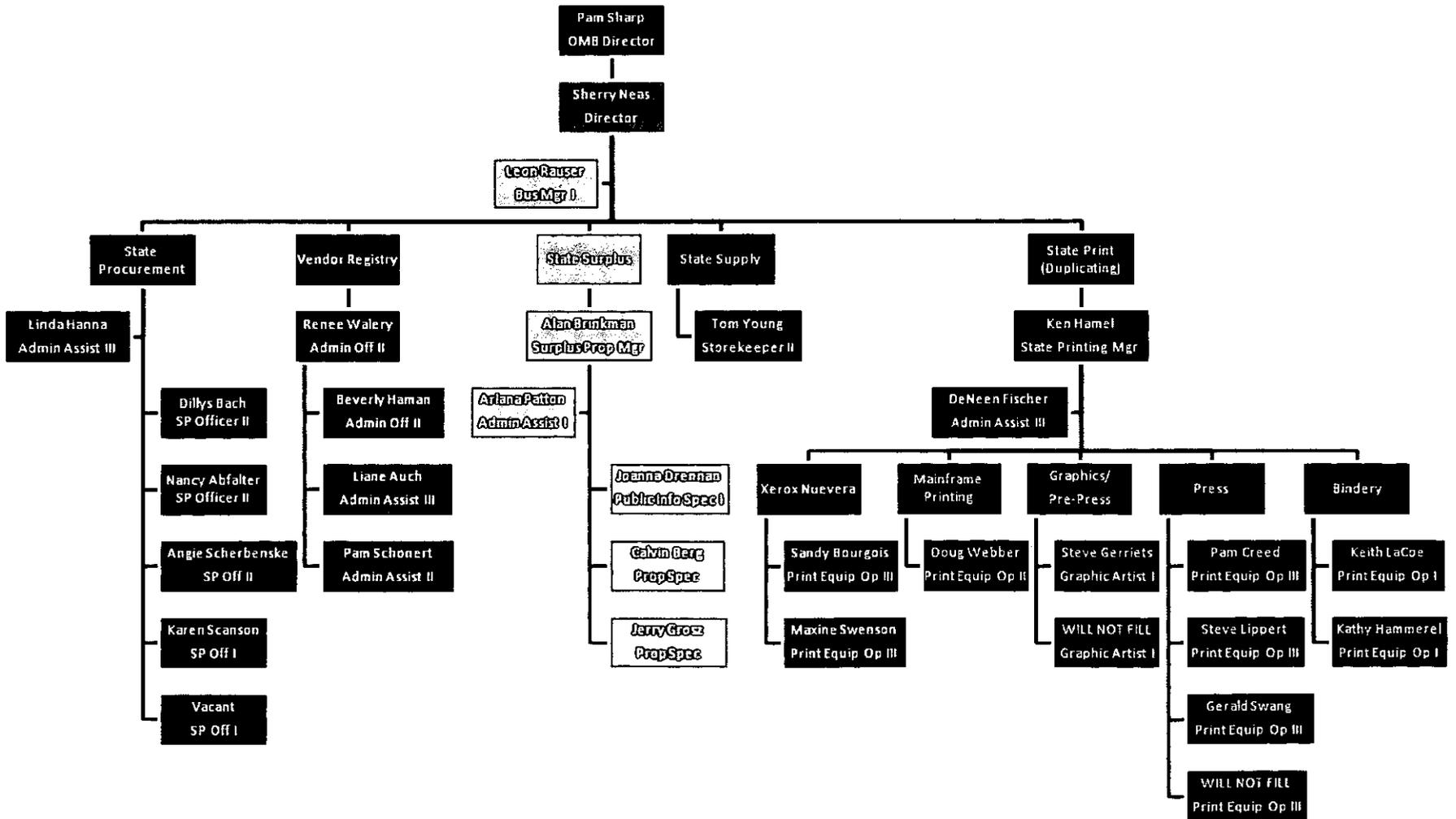
Section 9 is the compensation package for state employees.

Office of Management and Budget Organizational Chart



**Office of Management and Budget
Central Services Division
March 2011**

5



Testimony on SB 2015
Sherry Neas, Director
OMB Central Services Division
March 9, 2011

Chairman Thoreson and members of the committee, my name is Sherry Neas, director of the OMB Central Services Division. Our division operates five programs.

Two programs are general funded:

- The State Procurement Office purchases for state agencies, establishes state contracts that are also available to political subdivision, and hosts a website with information on state bidding opportunities.
- Vendor Registry administers the PeopleSoft/Oracle vendor database and purchasing modules for all state agencies.

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 \$6,647,660. Special funds are approximately 75% of the total budget (\$4,952,172) and general funds amount to \$1,695,488.

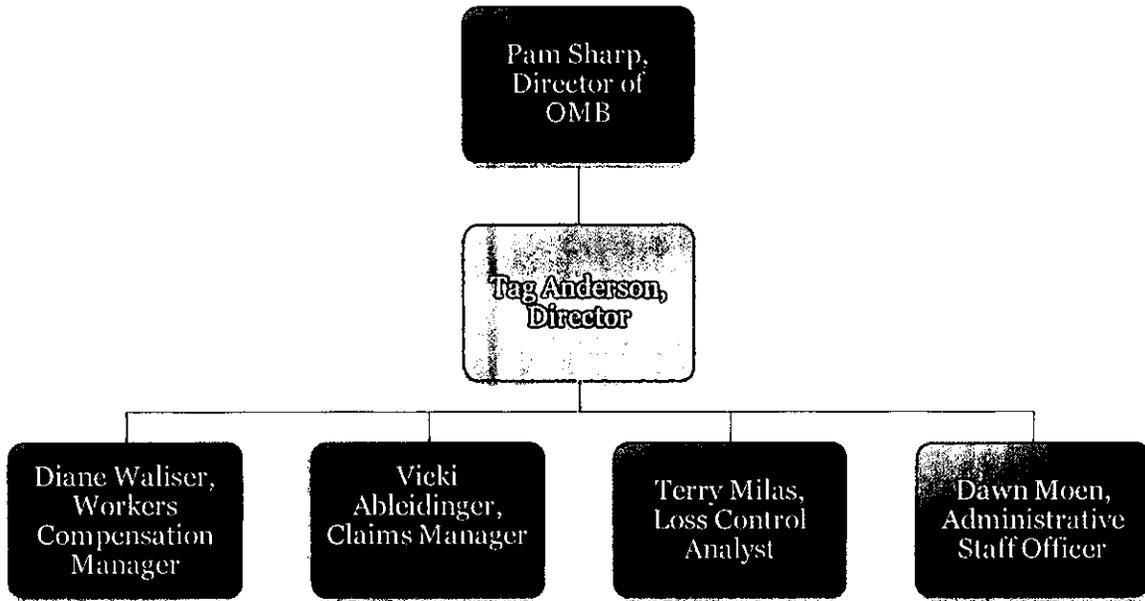
- Salaries for 29 FTE positions make up 51% of the total Central Services budget. Fifty-six percent of salaries are special funded.
- Within the operating budget, special fund authority makes up approximately 94% of the total budget. The majority of the special fund authority is to acquire inventory for printing, supply, and surplus property.

The overall budget increased \$86,667.

- Salaries increased to continue the 2009-11 legislatively authorized increases and for the salary compensation package for 2011-13.
- Two special funded FTEs were moved within OMB to Facility Management to provide staff for the Heritage Center Expansion.

Mr. Chairman, this concludes my testimony. I will be happy to answer any questions.

Office of Management and Budget
Risk Management Division
January 2011



Testimony on SB 2015
Tag Anderson, Director
OMB Risk Management Division
March 9, 2011

Mr. Chairman, and members of the House Appropriations Government Operations Division 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.

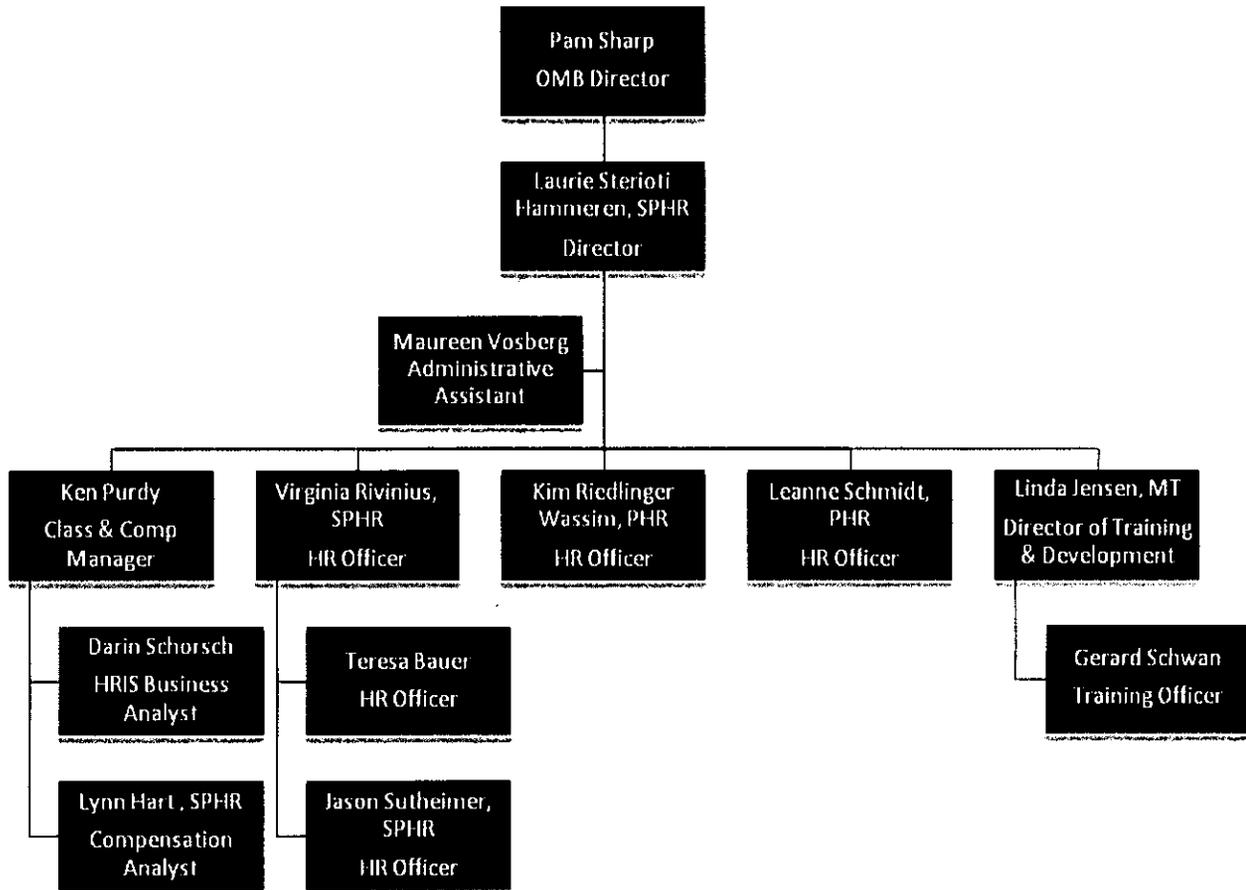
On the tort liability side, the Division administers all claims and lawsuits filed against the State and state employees through the Risk Management Fund. Contribution rates for the Fund are determined by an actuarial review which includes a review of each State entity's loss history. State entities 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 2009 legislative appropriation was based upon \$1,332,470 for the Division's budget. Our requested budget for 2011-20013 biennium is \$1,437, 289 all in special funds.

Thank you.

**Office of Management and Budget
Human Resource Management Services Division
January 2011**



Testimony SB 2015
Laurie Sterioti Hammeren, Director
OMB Human Resource Management Services
March 9, 2011

Good morning, Chairman Thoreson and members of the House Appropriations Government Operations Division Committee I am Laurie Sterioti Hammeren, Director of Human Resource Management Services, 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 7,141 classified employees.

Human Resource Management Services has 12 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
- 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.

A major current initiative that is supported by HRMS is the State Employee Compensation Study initiated by the Legislature in the 2009 session. In 2010, the Hay Group, a prominent consulting company, conducted a comprehensive evaluation of the State of North Dakota's Classified Employee Compensation System. This evaluation was done at the request of the Legislature's interim Government Services Committee. On October 27, 2010, a final report on the evaluation project and an implementation plan was presented to the interim Government Services Committee. This "final" report, however, was hardly the end of the process, but rather the beginning of a second phase. Subsequently, the Legislative Management Committee voted to fund implementation of the recommendations and asked HRMS to work with the Hay Group to implement the recommendations by April 2011.

The general conclusion of the study was that the compensation system is fundamentally sound, but the final report also included several recommendations for improvement. The key recommendations presented by the Hay Group and adopted by the Government Services Committee and the actions that are underway as a result of these recommendations are:

Develop and adopt a State Compensation Philosophy. This will define an overall direction and parameters for future compensation decisions. The interim Government Services Committee drafted this Compensation Philosophy statement and introduced it as legislation in HB 1031.

- Adopt the widely used Hay Guide-Chart Profile Method of Job Evaluation, which will lead to an appropriate grade allocation for all classifications, decrease the number of classification requests and ease classification and pay compression.

HRMS has used a job evaluation system since 1982 that is similar to the Hay methodology, but adopting the Hay Guide-Chart Method represents a significant update. This change will result in a state-of-the-art, extensively validated job evaluation system consistently measuring the content of job classes in state government.

To this end, a 15 member team, composed of both HRMS staff and human resources representatives from a number of agencies, has been formed. HRMS staff had already received training on the Job Evaluation Manager (JEM) software which supports the process. The team received training in the Hay Guide-Chart job evaluation method, validated the evaluation of approximately 200 ND classifications that are considered “benchmarks” and also evaluated the remaining 700 current ND classifications. This process was completed last week.

- Conduct a custom salary survey based on the definition of the market in the State’s Compensation Philosophy. This will provide credible and defensible data for use in constructing appropriate salary ranges, setting appropriate salary range midpoints, and in deciding how many distinct salary structures should exist.

The Hay Group is currently conducting this salary survey which is expected to be completed by mid-March. The use of a third party, such as the Hay Group, to conduct such a survey is recognized as a best practice because the Hay Group can ensure that the confidentiality of the data collected is maintained. The Hay Group also has access to multiple sources of data, which will greatly enhance the assessment of the market.

It is likely that this analysis will result in a recommendation by the Hay Group of multiple pay structures to more accurately reflect occupational requirements, employment market pay levels, and actual pay practices of agencies. The new recommended pay structure(s) and updated job evaluations will be available to impact any July 2011 general salary increase methodology.

The finalization of all recommendations is scheduled for April 2011. HRMS is confident that implementation of the recommendations will enhance consistency and

equity within the State's system. More detail on this project is available on the HRMS website www.nd.gov/hrms/managers/compstudy.html).

Our budget request for this next biennium is \$2,189,256 from the general fund. Ninety-one percent of HRMS' program costs are salaries for 12 FTE. Operating expenses account for nine percent 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 2011-13 Biennium include wages and salaries that reflect the prior biennium's legislatively authorized salary increases and the 2011 compensation package. In addition, our operating budget includes \$54,000 for maintenance of the Job Evaluation Manager (JEM) software which supports the Hay System of Job Evaluation.

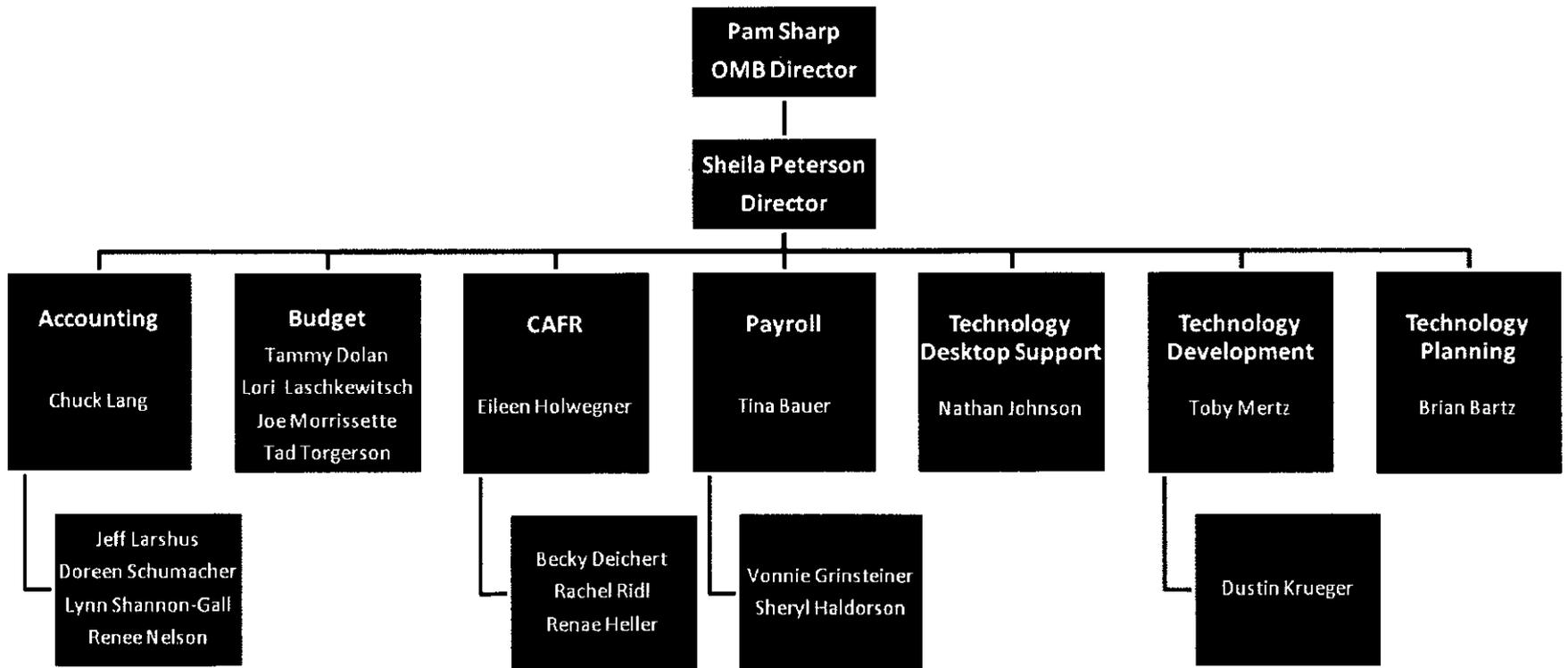
Mr. Chairman, this concludes my remarks. I would be happy to answer any questions.

Office of Management and Budget

Fiscal Management Division

January 2011

13



Testimony on SB 2015
Sheila Peterson, Director
OMB Fiscal Management Division
March 9, 2011

Good morning Mr. Chairman and members of the House Appropriations Government Operations Division 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.

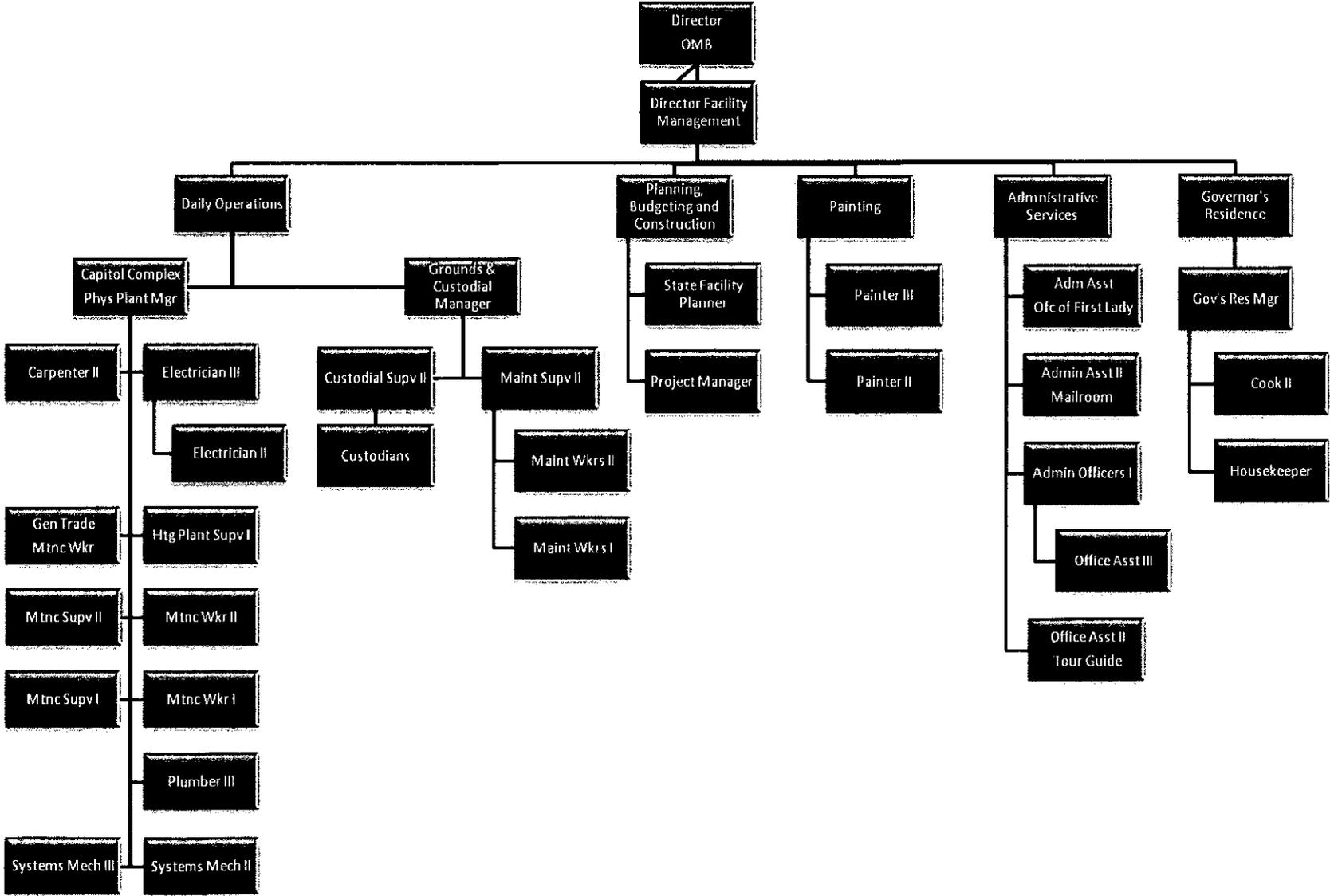
Ninety percent of the Fiscal Management budget falls into two categories - data processing and salaries. All of our functions depend on technology and people. The remainder of our bigger expenses includes consultants and printing. Consultants are hired for revenue and economic forecasting, cost allocation, and assisting us in the statewide comprehensive annual financial reports. Printing expenses include the CAFR and all budget documents and W2s.

The major change in our current appropriation and the Governor's recommendation is the \$900,000 increase in IT data processing. The increase is due to the increase in ITD rates of \$360,000, with the remaining increase due to the increased cost in upgrading the PeopleSoft database. The size of the database has been growing and will continue to grow, resulting in the need to upgrade the database.

Finally, I would just like to add a comment that in addition to our regular responsibilities, this past biennium we have also been responsible for staying on top of all of the federal stimulus dollars. I think we have done a superb job, in large part due to Tammy Dolan, who took on the responsibility of making sure all of our required ARRA reporting was done on time and accurately.

Mr. Chairman, that concludes my remarks. I would be happy to answer any questions.

**Office of Management and Budget
Facility Management Division
January 2011**



Testimony on SB 2015
John Boyle, Director
OMB Facility Management Division
March 9, 2011

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 61 full-time employees. 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 \$18,727,381 in spending authority for the next biennium. This equates to \$15,727,381 in the general fund and \$3,000,000 in special funds. The amount requested from the general fund is a five percent increase from the budgeted amount requested two years ago. In addition to the amounts above, the Senate has included \$1,000,000 in spending authority for parking lot improvements. This project was to occur during the current biennium, but the funds will instead be used to make necessary electrical/mechanical improvements identified after the January power outage.

This five percent increase is attributable to the recommended salary increases and the additional expense associated with the heritage center expansion. Our request includes two full-time employees and temporary employees for \$153,744 and operating expenses for \$234,150 for the second half of the biennium. The two full-time employees were redirected from other divisions within OMB eliminating the need to request new FTEs.

Fifty-six 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-four percent of the budget accounts for our extraordinary repairs, maintenance and equipment. A few of the items within this category include the Capitol Envelope Restoration and Cleaning, Legislative Chambers Brass and Wood Restoration and Remodeling of the Capitol's South Entrance.

The Capitol Envelope Restoration project includes the replacement, repair or reattachment of identified limestone panels on the Capitol and the cleaning of all the limestone. The \$2.8 million estimate was obtained after a two-week long investigation of the current condition of the limestone. If approved, this project would commence this summer.

The capitol grounds planning commission has approved and prioritized \$3 million of projects out of the Capitol Building Trust fund. These projects include new Entrance Signs, the Legislative Chamber Brass and Wood Restoration, the Remodeling of the Capitol's South Entrance and the Remodeling of the Cafeteria Corridor. 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.

2015.3.9.11B

House Appropriations
Government Operations Division
Testimony on SB 2015
Prairie Public Broadcasting
March 9, 2011

Mr. Chairman and members of the committee, thank you for the opportunity to speak with you today about the budget request for Prairie Public Broadcasting, North Dakota's public media network.

For the record, I am John Harris, President & CEO of Prairie Public Broadcasting.

Since 1964, when Prairie Public began broadcasting with its first television transmitter, Prairie Public has grown to provide our region with public media services that enrich the lives of the citizens of our great state.

I'm using the term 'public media,' rather than public radio and television, because Prairie Public is evolving and utilizing expanding technology.

Today, Prairie Public accomplishes its mission to educate, involve, and inspire the people of our region with nine HD television transmitters, nine HD radio transmitters, eight radio translators and robust web and streaming services.

With your support and the support of the people who value and depend upon us, Prairie Public partners with schools, state agencies, colleges and universities, private foundations, businesses, and other entities to create programming that has regional and statewide relevance.

Families tune to Prairie Public and find the quality programming for which public media is known and trusted. In fact, a recent Roper poll asked Americans what they consider to be the "best use of tax dollars." They rank public television second only to military defense, and public radio is ranked third.

The public appreciates and depends upon Prairie Public to deliver national programming, but I am most proud of the quality programming that focuses on our communities.

In fact, Prairie Public was recently honored with two regional Emmy Awards. Homesteading was awarded an Emmy as best historical documentary, and A Considered View was awarded an Emmy as best cultural documentary ... with yet more shows in production.

Ultimately, education is at the core of our mission. By combining public media's greatest assets with outreach and professional development for teachers and early childhood educators, Prairie Public has made a positive impact on the lives of our children. Prairie Public provides Educational Services for over 100,000 North Dakota students and 12,000 teachers.

The state of North Dakota plays an essential supporting role in the operation of our media services. And while the state appropriation makes up approximately 13% of our annual budget, it provides an important base in creating the foundation for support from many other sources.

For the past decade, we have concentrated on meeting the FCC mandate for digital broadcasting and Prairie Public has made great strides to complete our digital transmitters and towers. We now turn our focus to our studio production and facilities requirements.

For the 2011 biennium, Prairie Public requests that the state consider assistance with the following:

- 1.) To continue Prairie Public's studio conversion to digital and to expand high definition (HD) productions at its Bismarck and Fargo studio facilities.
- 2.) Prairie Public has requested federal grant funding for digital television equipment associated with our most rural stations: KJRE (Ellendale), KMDE (Devils Lake), KDSE (Dickinson), and KWSE (Williston). These stations serve 129,000 rural North Dakota residents with both standard and high definition noncommercial programming. This grant can be categorized into three separate projects that include production, multicasting, and digital STL microwave equipment.
- 3.) To expand the Bismarck facilities to include significant remodeling work to allow radio operations to be relocated out of the basement and to soundproof the television studio and production areas. This would require a complete overhaul or possible replacement of the existing structure, which was originally designed as a church. Building remodeling costs are not grant eligible through federal granting programs.
- 4.) Prairie Public's Fargo studio building was built in the early 1950's, and significant improvements have been made since Prairie Public moved into the facility 25 years ago. Unfortunately, many of the building components are original and are long overdue for replacement. Funding is requested for projects that include:
 - Asbestos abatement by replacing the original asbestos insulation and the corroded steam piping and registers.
 - Replace the original building fire alarm system, which is outdated and no longer serviceable.
 - Replace a roof-mounted HVAC mechanical unit.
 - Update the elevators in the building by replacing the original main passenger and freight elevator controls and hydraulic rams.
 - Update ceiling lights for greatly improved energy efficiency.

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. The existing 3.8 meter satellite dish is twenty plus years old, no longer dependable, and its fiberglass construction is 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 should be replaced with the newer solid-state type.

The total project costs of the above mentioned is estimated at \$2.8 million.

Over the past twelve years, Prairie Public has received grants totaling approximately \$24.4 million, with more than \$18 million of that coming from federal sources. The remaining "matching" dollars have come from the state of North Dakota, the state of Minnesota, and from local resources.

We will continue to use the dollars requested from the state of North Dakota in this biennium to allow us to access federal funds when possible and bring dollars back to our state.

At the present time, I can report that Prairie Public has more than 15,000 active members who contribute dollars to support programming expenses for the organization. These citizens are partners with Prairie Public in providing a strong and viable public media entity for the community.

I cannot express enough the thanks Prairie Public and its members extend to you for your support. Technology continues to change, but Prairie Public's mission to provide services that educate, involve and inspire has not.

Fiscal year 2009 reports show a wide variety of funding sources, including local support at about 25%, CPB support at about 13%, and state support at about 13%. I've included our most recent annual report and a sample of our program guide in your handout.

In Senate Bill 2015 of this biennium's budget, the Governor's budget has recommended \$1,337,138 for our operation. In addition to this, there is \$500,000 in one time only support for Prairie Public. This allows Prairie Public a base of support to operate infrastructure, plus dollars to continue the digital conversion and facility updates. Your support of this request will enable Prairie Public to continue to provide our valuable services to homes, schools, and workplaces across the state.

In the past 12 years, Prairie Public has turned \$6 million from local resources into \$24 million utilizing grant programs. Those federal matching funds continue to come under scrutiny and may not be available in the future. Please help us to continue to reap the benefits of these funds while they are still available.

Mr. Chairman and Members of the Committee, on behalf of the Board of Directors and staff of Prairie Public, I thank you for your time and consideration.

**Matching Grants History, Prairie Public Broadcasting
1/17/2011**

Name of Project	Year	Project Cost	Federal Award	Fed. %	Local Match
Digital Microwave Bismarck	1999	1,252,847	939,635	0.75	313,212
Bismarck DTV	2000	1,521,736	1,141,302	0.75	380,434
Digital Microwave TRF (Towers)	2001	536,698	359,587	0.67	177,111
Fargo DTV	2001	1,368,203	916,696	0.67	451,507
Digital Microwave TRF (Radio)	2002	630,587	422,493	0.67	208,094
Crookston DTV	2002	1,455,478	975,170	0.67	480,308
Crookston Building (DDF)	2002	120,000	90,000	0.75	30,000
Minot DTV (DDF)	2002	948,898	711,674	0.75	237,225
Ellendale DTV (DDF)	2002	384,435	288,326	0.75	96,109
Dickinson DTV (DUSF)	2002	400,000	300,000	0.75	100,000
Williston DTV (DUSF)	2002	400,000	300,000	0.75	100,000
Western ND Microwave (USDA)	2004	2,000,000	2,000,000	1.00	0
Master Control Monitoring	2004	150,315	112,736	0.75	37,579
KGFE Digital STL	2004	327,272	219,272	0.67	108,000
Devils Lake DTV Tower/Microwave	2004	1,343,533	900,167	0.67	443,366
Devils Lake DTV TX	2004	666,639	499,979	0.75	166,660
HD Encoder (DDF)	2004	53,720	40,290	0.75	13,430
Digital Microwave (DDF)	2005	455,271	341,453	0.75	113,818
KUND/KFJM Relocation (PTFP)	2005	481,973	361,479	0.75	120,493
Hot-Standby Microwave (DDF)	2005	666,662	489,124	0.73	177,538
Video Server Upgrade (DDF)	2005	499,985	374,988	0.75	124,996
KFME Ch. 13 DTV (PTFP)	2006	817,700	613,275	0.75	204,425
HD Radio - 8 Stations (CPB)	2006	1,158,571	944,623	0.82	213,948
KDSE Ch. 9 DTV (RUS)	2007	837,895	837,895	1.00	0
Studio/Production (PTFP)	2007	910,085	682,564	0.75	227,521
Devils Lake Radio (PTFP)	2008	422,607	316,955	0.75	105,652
KJRE/KWSE Transmitter/Antenna Equip. (RUS)	2008	330,849	330,849	1.00	0
KFME Maximization (CPB)	2008	227,676	113,838	0.50	113,838
HD Equipment/Monopole/Generator (CPB)	2008	666,667	500,000	0.75	166,667
Williston High-Power FM Radio (CPB)	2008	391,028	195,514	0.50	195,514
Radio Interconnection Equip. (CPB)	2008	71,147	50,000	0.70	21,147
Williston Tower For Channel 11 (CPB)	2009	666,667	500,000	0.75	166,667
Williston Transmitter/Antenna Ch 11 (PTFP)	2009	975,899	731,924	0.75	243,975
KGFE DTV - Euclid (CPB)	2009	398,395	298,796	0.75	99,599
Audio Consoles Fargo/Grand Forks (PTFP)	2010	136,474	81,884	0.60	54,590
Field Production/Encoders/Microwave (RUS)	2010	749,995	382,725	0.51	367,270
Totals:		24,425,907	18,365,213	0.75	6,060,692

Pending Grant Applications

Fargo Audio/Bismarck Studio (PTFP)	2011	959,280	719,460	0.75	239,820
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Media Resources

PBS Online and Interactive Media

Quickly and easily identify and access PBS online media and other resources for all grade levels (PreK-12) right from our website.



Descriptions are provided for all programs as well as links to individual websites, media access points, and free online educational materials.

Other Online Media

Discover other online media titles that have been purchased specifically for member schools, including popular current events and other timely programs like **Assignment: The World**, **Slim Goodbody's Daily Almanac**, and **Teen Kids News**.

To access these or other restricted programs, the new password is



Broadcasts & Recorded Media

Find schedules for block feed and Lifelong Learning Channel educational programming in the monthly e-newsletter or on our website. Remember that most of these programs are also available through our lending library.



Access over 8,500 full-length videos and almost 23,000 video clips as well as images, audio files, articles, and more through Learn360. Learn360 is an interactive, media - on - demand, low-cost service designed specifically for the K-12 school market.



Explore the people, places, events and history of North Dakota and the surrounding region on the NDStudies.org website. Use this growing collection of images, articles, audio, and video to meet ND Studies curriculum standards or to make regional connections to more global events and issues.

Professional Development

The Prairie Region Teacher Training Institute is a two-day summer workshop for PreK-12 educators from Minnesota and North Dakota featuring model lessons developed by Master Teachers. The Institute integrates regional history, culture, and the arts across the curriculum using video media and other web-based technologies. The Institute also includes a reflective protocol and hands-on training on a variety of technologies.



Information about the Prairie Region Teacher Training Institute 2011, including how to apply for a Master Teacher position, will be available on our website and in our monthly newsletter starting this winter.

Meet recertification or staff development requirements with PBS TeacherLine.



PBS TeacherLine.

PBS TeacherLine offers challenging, in-depth learning experiences that boost student achievement. Courses are collaborative, convenient, and customizable. Many of the courses are designed to have an immediate classroom connection.

Courses are available in mathematics, reading/language arts, science, instructional technology, and instructional strategies. You will find a link to the current PBS TeacherLine catalog on our website.

Colonial Williamsburg Grant Opportunity

Take your students on an online, interactive field trip with a special grant from Colonial Williamsburg. One school will receive a grant for all seven field trips and accompanying teacher resource materials, while four others will receive grants for two field trips and materials each.

Find more information about Colonial Williamsburg and the grant application process in our e-newsletter and on our website.



Colonial Williamsburg

Workshops & Conferences

Choose from a "shopping list" of workshops featuring valuable media resources available to teachers. The Education Services staff provide these workshops as a free service to schools. The workshops are also featured at area curricular conferences. Workshop topics include:

- **Beginning Learn360**
- **North Dakota Studies Regional Website**
- **PBS Resources for the Classroom**
(STEM, social studies, the arts, literature and more for any grade level)
- **Copyright & Fair Use with Multimedia**
- **PBS Interactive Whiteboard Media**



Literacy Grant

Apply for a grant to host a Family Literacy Event in your community.



Each year Prairie Public partners with educators, local businesses and communities in the Prairie Public viewing area to encourage literacy. The Family Literacy Event Grant provides a stipend to help pay for event expenses, a PBS character, free books for all children, and much more to help ensure a successful event.

Grant details will be available October 1, 2010.

Watch our website and October e-newsletter for details.

Sign up for our monthly e-newsletter!

Each month, learn about new programs, classroom resources, professional development opportunities, broadcast schedules, events of interest, and more.



Fall 2010

Valuable Resources for Teachers

Discover an enhanced array of media resources, teaching tools, and professional development opportunities available through Education Services at Prairie Public on our newly re-designed, easy-to-navigate webpages by and for teachers.



Website Design for Education Services

	Media Resources		
Professional Development		Workshops and Conferences	Literacy Grant
Links of Interest			
	Quick Link ND Studies		

Contact Us	Media In Education	Webinars	Online Discussions	About Us
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(701) 239-7574

education@prairiepublic.org

<http://www.prairiepublic.org/education/teachers>

**ARRA Funding Provided for Programs in 2009-11
that Continue in the 2011-13 Biennium**

Office of the Attorney General

3.0 FTE Intelligence Analysts funded with ARRA dollars in the 2009-11 biennium are continued in the 2011-13 budget request with other special and federal funds.

Department of Human Services

Restoring general fund dollars that had been temporarily replaced with federal ARRA funds for:

- Federal Medical Assistance Percentage - \$66.5 million
- Child Support - \$2.76 million.

2015.3.9.11D

Information Regarding the 3 & 3 Compared to a 4 & 1 Salary Increase

Cost Calculation

Why a 3 & 3 costs the same as a 4 & 1
Assume 3% salary increase = \$100/year

	<u>3%</u>	<u>3%</u>	
1st Year	\$100.00		
2nd Year	<u>100.00</u>	<u>\$100.00</u>	
	\$200.00	\$100.00 =	\$300.00
	<u>4%</u>	<u>1%</u>	
1st Year	\$133.33		
2nd Year	<u>133.33</u>	<u>\$33.33</u>	
	\$266.66	\$33.33 =	\$299.99

Impact on Individual Employee Salary

Assume an employee makes \$1,000/month

3 & 3

1st Year	$\$1,000 \times 3\% = \$1,030.00$
2nd Year	$\$1,030 \times 3\% = \$1,060.90$

4 & 1

1st Year	$\$1,000 \times 4\% = \$1,040.00$
2nd Year	$\$1,040 \times 1\% = \$1,050.40$

Cost to Continue in 2013-15

General Fund

<u>3 & 3</u>	\$8.0 million
<u>4 & 1</u>	\$2.7 million

Information Regarding the 3 & 3 Compared to a 4 & 1 Salary Increase

Cost Calculation

Why a 3 & 3 costs the same as a 4 & 1
Assume 3% salary increase = \$100/year

	<u>3%</u>	<u>3%</u>	
1st Year	\$100.00		
2nd Year	<u>100.00</u>	<u>\$100.00</u>	
	\$200.00	\$100.00	= \$300.00
	<u>4%</u>	<u>1%</u>	
1st Year	\$133.33		
2nd Year	<u>133.33</u>	<u>\$33.33</u>	
	\$266.66	\$33.33	= \$299.99

Impact on Individual Employee Salary

Assume an employee makes \$1,000/month

3 & 3

1st Year	$\$1,000 \times 3\% = \$1,030.00$
2nd Year	$\$1,030 \times 3\% = \$1,060.90$

4 & 1

1st Year	$\$1,000 \times 4\% = \$1,040.00$
2nd Year	$\$1,040 \times 1\% = \$1,050.40$

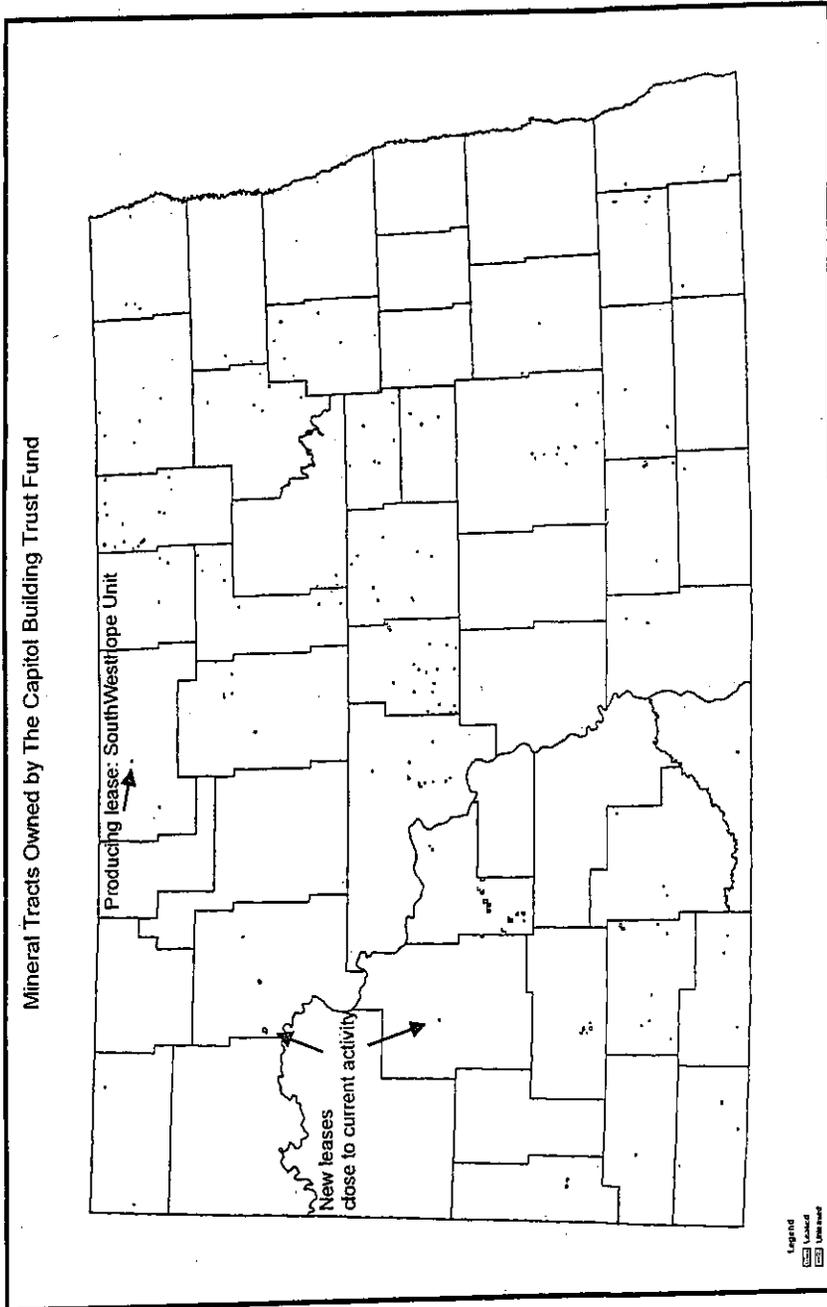
Cost to Continue in 2013-15

General Fund

3 & 3	\$8.0 million
4 & 1	\$2.7 million

FINANCIAL REPORT - FY '11 - RISK MANAGEMENT FUND

	July 2010	Aug 2010	Sept 2010	Oct 2010	Nov 2010	Dec 2010	Jan 2011	Feb 2011	March 2011	April 2011	May 2011	June 2011	TOTALS
Revenue:													
Balance Forward	\$ 4,776,411.79	\$ 4,427,909.58	\$ 4,498,567.21	\$ 4,430,650.93	\$ 4,646,155.34	\$ 5,055,380.91	\$ 5,495,068						
Contributions				\$ 173,474.44	\$ 424,205.15	\$ 546,912.34	\$ 2,212.00						\$ 1,146,803.93
Interest (RIO Month Ended & Int. on Investment)	\$ (33,085.00)	\$ 122,533.40	\$ (14,310.57)	\$ 125,648.97	\$ 70,537.05	\$ (4,700.30)	\$ 60,270.68						
Miscellaneous	\$ 145,712.00			\$ 275.00	\$ 575.00	\$ 700.00							
Total Revenue	\$ 4,889,038.79	\$ 4,550,442.98	\$ 4,484,256.64	\$ 4,730,049.34	\$ 5,141,472.54	\$ 5,597,592.95	\$ 5,558,250.57						
Expenditures: (1050) Administration													
Salaries/Benefits	\$ 26,029.38	\$ 26,021.70	\$ 26,313.86	\$ 26,313.87	\$ 26,641.77	\$ 26,361.71	\$ 26,361.74						\$ 184,044.03
Data Processing	\$ 3,363.20		\$ 2,612.45	\$ 4,991.89	\$ 2,339.65		\$ 4,678.86						\$ 17,986.05
Telephone ITD	\$ 204.52	\$ 203.99	\$ 208.97	\$ 205.20	\$ 204.56		\$ 416.95						\$ 1,442.19
Cellular Phone	\$ 16.88	\$ 16.88	\$ 16.88	\$ 16.88	\$ 16.84	\$ 16.84	\$ 16.84						\$ 101.16
Travel	\$ 296.79	\$ 201.42	\$ 1,135.95	\$ 693.06	\$ 270.46								\$ 2,597.68
Computers/Furniture/Software	\$ 15,077.54	\$ 1,960.00	\$ 998.96	\$ 560.00	\$ 640.80	\$ 770.00	\$ 1,050.00						\$ 21,057.30
Postage	\$ 23.73	\$ 218.01	\$ 206.61	\$ 194.75	\$ 223.10	\$ 174.28	\$ 164.41						\$ 1,204.89
Copier Rental/Copies		\$ 147.92	\$ 147.92	\$ 147.92	\$ 147.92	\$ 147.92	\$ 147.92						\$ 887.52
Rent	\$ 1,394.34	\$ 1,394.34	\$ 1,394.34	\$ 1,394.34	\$ 1,394.34	\$ 1,394.34	\$ 1,394.34						\$ 9,760.38
Miscellaneous/Cont/ Expense	\$ 76.91			\$ 156.86	\$ 8.95								\$ 242.72
Dues & Memberships					\$ 957.20		\$ 250.00						\$ 1,207.20
Professional Development		\$ 350.00											\$ 350.00
Legal - Fees/Prof. Svcs.		\$ 14.04	\$ 4,199.08	\$ 28.08	\$ 98.30	\$ 14.04	\$ 7.02						\$ 4,360.56
Temporary Employee Salary													\$ -
Consultant													\$ -
Office Supplies/Equipment		\$ 26.65	\$ 95.92	\$ 13.27	\$ 130.06		\$ 39.12						\$ 305.02
Printing													\$ -
Books/Subscriptions		\$ 103.20	\$ 378.40			\$ 103.20	\$ 208.40						\$ 789.20
Total Expenditures	\$ 46,468,411	\$ 30,658,151	\$ 37,705,341	\$ 34,716,121	\$ 33,073,951	\$ 28,982,331	\$ 34,733,601						\$ 244,336,901
Net	\$ 4,842,572.38	\$ 4,519,784.83	\$ 4,446,551.30	\$ 4,695,333.22	\$ 5,108,398.59	\$ 5,568,610.62	\$ 5,523,516.97						
Suspense Expenditures: (1080) General Liability													
Adjusting Fees re Claims (2640)													
Paid Claims (legal gen clam) (623125)	\$ 746.63	\$ 1,104.05		\$ 15,000.00		\$ 450.06	\$ 7,143.52						\$ 24,444.26
Special Exp-Claims/Lit. (2421/2635)		\$ (37.19)	\$ 150.86	\$ 519.56	\$ 101.75	\$ (46.00)							\$ 688.78
Legal Fees re Claims & Def. (2096)		\$ 4,694.34	\$ 4,107.85	\$ 19,031.57	\$ 50,785.80	\$ 63,974.62	\$ 5,073.99						\$ 147,667.97
Total General Suspense Expenditures	\$ 746.63	\$ 5,761.20	\$ 4,258.81	\$ 14,551.13	\$ 50,687.55	\$ 64,378.68	\$ 12,217.51						\$ 172,801.01
Suspense Expenditures: (1070) Automobile Liability													
Adjusting Fees re Claims (2640)													
Paid Claims (legal auto clam) (2638)	\$ 3,916.17	\$ 15,456.42	\$ 11,642.06	\$ 14,626.75	\$ 2,130.13	\$ 9,164.05	\$ 20,615.55						\$ 77,551.13
Special Exp-Claims/Lit. (2421/2635)													\$ -
Legal Fees re Claims & Def. (2096)													\$ -
Total Auto Suspense Expenditures	\$ 3,916.17	\$ 15,456.42	\$ 11,642.06	\$ 14,626.75	\$ 2,130.13	\$ 9,164.05	\$ 20,615.55						\$ 77,551.13
Suspense Expenditures: (1040) Medical Malpractice Liability													
Adjusting Fees re Claims (2640)													
Paid Claims (2637)													\$ -
Special Exp-Claims/Lit. (2421/2635)													\$ -
Legal Fees re Claims & Def. (2096)													\$ -
Total Medical Suspense Expenditures	\$ -						\$ -						
Insurance Premiums (2730)	\$ 410,000.00												\$ 410,000.00
Total Suspense Expenditures	\$ 414,662.80	\$ 21,217.62	\$ 15,900.87	\$ 14,626.75	\$ 53,017.68	\$ 73,542.73	\$ 32,833.06						\$ 680,352.14
Fund Balance	\$ 4,427,909.58	\$ 4,498,567.21	\$ 4,430,650.93	\$ 4,646,155.34	\$ 5,055,380.91	\$ 5,495,067.89	\$ 5,490,683.91						
Reserves	\$ 759,709.00	\$ 759,052.00	\$ 759,890.00	\$ 812,254.00	\$ 773,746.00	\$ 671,204.00	\$ 711,715.00						
Balance	\$ 3,668,200.58	\$ 3,739,515.21	\$ 3,670,760.93	\$ 3,833,901.34	\$ 4,281,634.91	\$ 4,823,883.89	\$ 4,778,968.91						
\$7 Misc-FY06-10 RIO YTD reconciliation with monthly reported interest													



Capitol Building Trust Fund
 Summary of Mineral Acreage Owned
 As of December 15, 2009

<u>COUNTY</u>					<u>NET</u>	<u>LEASE</u>
<u>TWP</u>	<u>RNG</u>	<u>SEC</u>	<u>DESCRIPTION</u>		<u>ACRES</u>	<u>STATUS</u>
<u>ADAMS</u>						
129	96	7	E2SW4		40.00	
130	92	26	NE4		160.00	
130	93	24	NW4		160.00	
			County total		360.00	
<u>BARNES</u>						
138	61	6	SE4NW4, LOTS 3,4,5		78.15	
140	59	22	S2SW4		40.00	
141	61	20	SW4		80.00	
			County total		198.15	
<u>BENSON</u>						
151	71	15	NE4		80.00	
151	71	18	SE4		80.00	
152	71	18	NE4		80.00	
			County total		240.00	
<u>BOTTINEAU</u>						
160	82	4	S2NE4, LOTS 1,2		84.54	Active O&G Lease
162	79	20	NW4		80.00	Producing
			County total		164.54	
<u>BOWMAN</u>						
129	102	14	SW4		80.00	Active O&G Lease
130	100	19	NE4		80.00	
130	100	19	E2NW4, LOTS 1,2		78.59	
132	104	14	NW4		80.00	
			County total		318.59	
<u>CAVALIER</u>						
160	61	10	SE4		80.00	
161	62	2	SW4		80.00	
162	63	27	SE4		80.00	
163	62	7	LOTS 1,2		63.03	
164	61	32	SW4		80.00	
			County total		383.03	
<u>DIVIDE</u>						
161	102	6	E2SW4, LOTS 6,7		78.30	
163	96	17	NW4		80.00	Active O&G Lease
			County total		158.30	
<u>DUNN</u>						
143	91	12	NE4		80.00	Active O&G Lease
143	91	12	NW4		80.00	Active O&G Lease
143	91	12	SE4		80.00	Active O&G Lease
143	91	12	SW4		80.00	Active O&G Lease
145	94	6	LOT 2		19.97	Currently Drilling
145	94	6	LOTS 3,4		37.31	Currently Drilling
			County total		377.28	

**Capitol Building Trust Fund
Summary of Mineral Acreage Owned
As of December 15, 2009**

<u>COUNTY</u>					<u>NET</u>	<u>LEASE</u>
<u>TWP</u>	<u>RNG</u>	<u>SEC</u>	<u>DESCRIPTION</u>		<u>ACRES</u>	<u>STATUS</u>
<u>EDDY</u>						
148	62	20	E2SW4		80.00	
148	64	20	SE4		160.00	
149	65	21	NE4		160.00	
149	65	28	SW4		160.00	
150	63	32	SE4		80.00	
150	65	8	NE4		160.00	
			County total		800.00	
<u>EMMONS</u>						
134	75	10	NW4		80.00	
134	75	10	SW4		160.00	
135	75	2	SE4		160.00	
			County total		400.00	
<u>FOSTER</u>						
145	63	4	S2NW4, LOTS 3,4		163.39	
146	63	6	E2SW4, LOTS 6,7		76.33	
147	63	22	NE4		160.00	
			County total		399.72	
<u>GOLDEN VALLEY</u>						
138	104	2	S2NE4		80.00	Active O&G Lease
138	104	2	S2NW4		80.00	Active O&G Lease
138	104	2	SE4		160.00	Active O&G Lease
138	104	4	S2NE4, LOTS 1,2		160.84	Active O&G Lease
138	104	4	S2NW4, LOTS 3,4		160.92	Active O&G Lease
			County total		641.76	
<u>GRANT</u>						
133	89	2	SE4		80.00	
133	89	8	SE4		160.00	
136	85	22	NE4 LESS GRAVEL PIT		156.50	
			County total		396.50	
<u>HETTINGER</u>						
133	91	8	SE4		80.00	
133	97	24	NW4		80.00	Active O&G Lease
134	91	26	SE4		160.00	
134	94	18	SE4		79.27	
134	96	14	NE4		160.00	
135	96	34	SW4		160.00	
136	91	26	NE4		80.00	
136	91	26	NW4		80.00	
136	91	26	SE4		160.00	
136	91	26	SW4		160.00	
136	91	34	NE4		160.00	
136	91	34	NW4		80.00	
136	91	34	SE4		160.00	
136	91	34	SW4		160.00	
			County total		1,759.27	

**Capitol Building Trust Fund
Summary of Mineral Acreage Owned
As of December 15, 2009**

<u>COUNTY</u>					<u>NET</u>	<u>LEASE</u>
<u>TWP</u>	<u>RNG</u>	<u>SEC</u>	<u>DESCRIPTION</u>		<u>ACRES</u>	<u>STATUS</u>
<u>LAMOURE</u>						
133	65	22	NW4		80.00	
135	63	10	SE4		80.00	
136	65	4	S2NW4, LOTS 3,4		79.94	
			County total		239.94	
<u>LOGAN</u>						
133	67	26	SW4		80.00	
134	67	10	NE4		75.12	
134	67	12	SW4		78.17	
134	67	14	NW4		80.00	
134	72	26	SW4		75.05	
136	69	4	SE4		80.00	Active O&G Lease
136	70	2	S2NW4, LOTS 3,4		181.15	
136	70	2	SE4		160.00	
136	71	6	LOTS 1,2		102.41	
			County total		911.90	
<u>MCHENRY</u>						
155	79	1	S2NE4, LOTS 1,2		80.16	
155	79	1	SE4		80.00	
157	75	1	S2NE4, LOTS 1,2		158.08	
157	75	32	NE4		80.00	
157	76	17	N2SE4		40.00	
157	76	17	N2SW4		80.00	
157	76	18	SE4		160.00	
157	76	32	NE4		160.00	
			County total		838.24	
<u>MCINTOSH</u>						
132	67	18	SE4		160.00	
			County total		160.00	
<u>MCLEAN</u>						
145	82	10	NW4		160.00	
145	82	14	SW4		80.00	
146	80	22	E2NE4, SW4NE4, LOT 1		160.00	
146	82	4	SE4		80.00	
146	82	22	NW4		80.00	
147	81	10	SW4		160.00	
147	82	11	NE4		160.00	
147	82	11	NW4		80.00	
147	82	11	SW4		80.00	
147	82	28	SE4		80.00	
147	82	28	SW4		160.00	
147	82	32	NE4		80.00	
149	81	9	SE4		160.00	
			County total		1,520.00	

**Capitol Building Trust Fund
Summary of Mineral Acreage Owned
As of December 15, 2009**

<u>COUNTY</u>	<u>TWP</u>	<u>RNG</u>	<u>SEC</u>	<u>DESCRIPTION</u>	<u>NET ACRES</u>	<u>LEASE STATUS</u>
MERCER						
	141	89	6	SE4NW4, LOTS 3,4,5	79.24	
	141	89	6	SE4	80.00	
	141	89	6	E2SW4, LOTS 6,7	79.04	
	141	89	18	NE4	160.00	
	141	89	18	SE4	80.00	
	141	89	18	E2SW4, LOTS 3,4	79.36	
	141	90	14	S2SW4	40.00	
	142	90	8	SE4	160.00	Active O&G Lease
	142	90	18	NE4	160.00	Active O&G Lease
	142	90	18	E2NW4, LOTS 1,2	164.48	Active O&G Lease
	142	90	18	SE4	160.00	Active O&G Lease
	142	90	18	E2SW4, LOTS 3,4	163.84	Active O&G Lease
	142	90	24	SW4	80.00	Active O&G Lease
	142	90	26	NE4 LESS R/W	77.99	Active O&G Lease
	142	90	26	R/W IN NE4	4.03	Active O&G Lease
	142	90	26	NW4	80.00	Active O&G Lease
	142	90	26	SE4 LESS R/W	77.97	Active O&G Lease
	142	90	26	R/W IN SE4	4.06	Active O&G Lease
	142	90	26	SW4	80.00	Active O&G Lease
	143	88	4	LOTS 1,2	80.20	Active O&G Lease
	143	88	4	S2NW4, LOTS 3,4	159.80	Active O&G Lease
	143	88	4	SW4	160.00	Active O&G Lease
	143	88	8	NE4	160.00	Active O&G Lease
	143	88	8	NW4	160.00	Active O&G Lease
	143	88	8	SE4	160.00	Active O&G Lease
	143	88	8	SW4	160.00	Active O&G Lease
	143	88	12	NE4	80.00	Active O&G Lease
	143	88	12	NW4	80.00	Active O&G Lease
	143	88	12	SE4	80.00	Active O&G Lease
	143	88	12	SW4	80.00	Active O&G Lease
	143	89	14	NE4	160.00	Active O&G Lease
	143	89	14	NW4	160.00	Active O&G Lease
	143	89	14	SE4	160.00	Active O&G Lease
	143	89	14	SW4	160.00	Active O&G Lease
	143	89	20	NE4	160.00	Active O&G Lease
	143	89	20	NW4	160.00	Active O&G Lease
	143	89	20	SE4	80.00	Active O&G Lease
	143	89	20	SW4	80.00	Active O&G Lease
	143	89	22	NE4	160.00	Active O&G Lease
	143	89	22	NW4	160.00	Active O&G Lease
	143	89	22	SE4	160.00	Active O&G Lease
	143	89	22	SW4	80.00	Active O&G Lease
	146	85	18	E2NE4	40.00	
	146	86	24	NE4	80.00	
				County total	4,970.01	

**Capitol Building Trust Fund
Summary of Mineral Acreage Owned
As of December 15, 2009**

<u>COUNTY</u>			DESCRIPTION	NET ACRES	LEASE STATUS
TWP	RNG	SEC			
<u>MOUNTRAIL</u>					
155	92	13	S2NE4	40.00	
155	92	13	N2SE4	40.00	
155	92	13	W2SW4	40.00	
155	92	24	N2NW4	40.00	Producing
155	94	28	NE4	160.00	Producing
155	94	28	NW4	160.00	Producing
155	94	28	SE4	160.00	Producing
155	94	28	SW4	160.00	Producing
155	94	32	NE4	160.00	Active O&G Lease
155	94	33	NW4NW4, S2NW4	60.00	Producing
156	89	17	E2SW4	40.00	Active O&G Lease
156	89	20	E2NW4	40.00	Active O&G Lease
			County total	1,100.00	
<u>NELSON</u>					
149	61	31	NE4	158.00	
151	59	35	NW4	160.00	
152	57	29	NE4	80.00	
154	57	30	NE4	80.00	
154	57	30	SE4	80.00	
154	58	18	E2NE4	39.71	
154	59	32	E2NW4	40.00	
			County total	637.71	
<u>PEMBINA</u>					
161	56	2	SW4NE4, LOT 2	76.25	
161	56	10	SW4	80.00	
162	51	33	SW4	80.00	
162	56	23	NE4	160.00	
			County total	396.25	
<u>PIERCE</u>					
151	72	2	SE4SE4	20.00	
151	72	20	SW4	80.00	
152	72	17	SW4	160.00	
156	72	9	SE4	80.00	
157	70	19	NE4	160.00	
158	69	4	SE4	80.00	
158	70	15	E2NE4	40.00	
			County total	620.00	
<u>RAMSEY</u>					
153	61	30	NE4NE4	20.00	
154	61	2	S2NE4, LOTS 1,2	159.00	
155	62	12	W2NW4	40.00	
155	62	22	W2SW4	80.00	
158	61	29	SE4	80.00	
			County total	379.00	

**Capitol Building Trust Fund
Summary of Mineral Acreage Owned
As of December 15, 2009**

<u>COUNTY</u>				<u>NET</u>	<u>LEASE</u>
<u>TWP</u>	<u>RNG</u>	<u>SEC</u>	<u>DESCRIPTION</u>	<u>ACRES</u>	<u>STATUS</u>
<u>RANSOM</u>					
134	53	28	SW4	80.00	
134	53	34	SE4	80.00	
135	53	4	SE4NE4, LOT 1	79.44	
135	53	4	E2SE4	80.00	
			County total	319.44	
<u>RENVILLE</u>					
161	84	1	S2NE4, LOTS 1,2	80.01	
			County total	80.01	
<u>RICHLAND</u>					
130	52	2	LOT 2	41.67	
131	52	34	SE4NW4	40.00	
135	52	28	NW4	80.00	
			County total	161.67	
<u>ROLLETE</u>					
160	69	4	SW4	80.00	
160	69	19	NE4	80.00	
160	71	6	S2NE4	40.00	
			County total	200.00	
<u>SARGENT</u>					
132	58	22	SE4	80.00	
			County total	80.00	
<u>SHERIDAN</u>					
145	75	10	SE4	80.00	
145	75	28	SE4	160.00	
145	76	28	NW4	160.00	
145	78	18	SE4	160.00	
145	78	28	NE4	160.00	
145	78	30	SE4	80.00	
146	75	14	NW4	80.00	
146	76	8	NW4	80.00	
146	76	28	SW4	160.00	
146	77	20	NW4	160.00	
146	77	22	SE4	160.00	
146	78	8	SW4	160.00	
146	78	34	NW4	160.00	
147	76	22	NE4	160.00	
147	76	28	SW4	80.00	
147	77	20	NW4	160.00	
148	74	2	SE4	160.00	
148	74	9	SE4	160.00	
148	74	10	E2NE4, NW4NE4	120.00	
148	74	10	N2NW4, SW4NW4	120.00	
148	74	10	NE4SE4	40.00	
148	74	10	SW4SW4	20.00	
148	77	14	SW4	160.00	
			County total	2,940.00	

**Capitol Building Trust Fund
Summary of Mineral Acreage Owned
As of December 15, 2009**

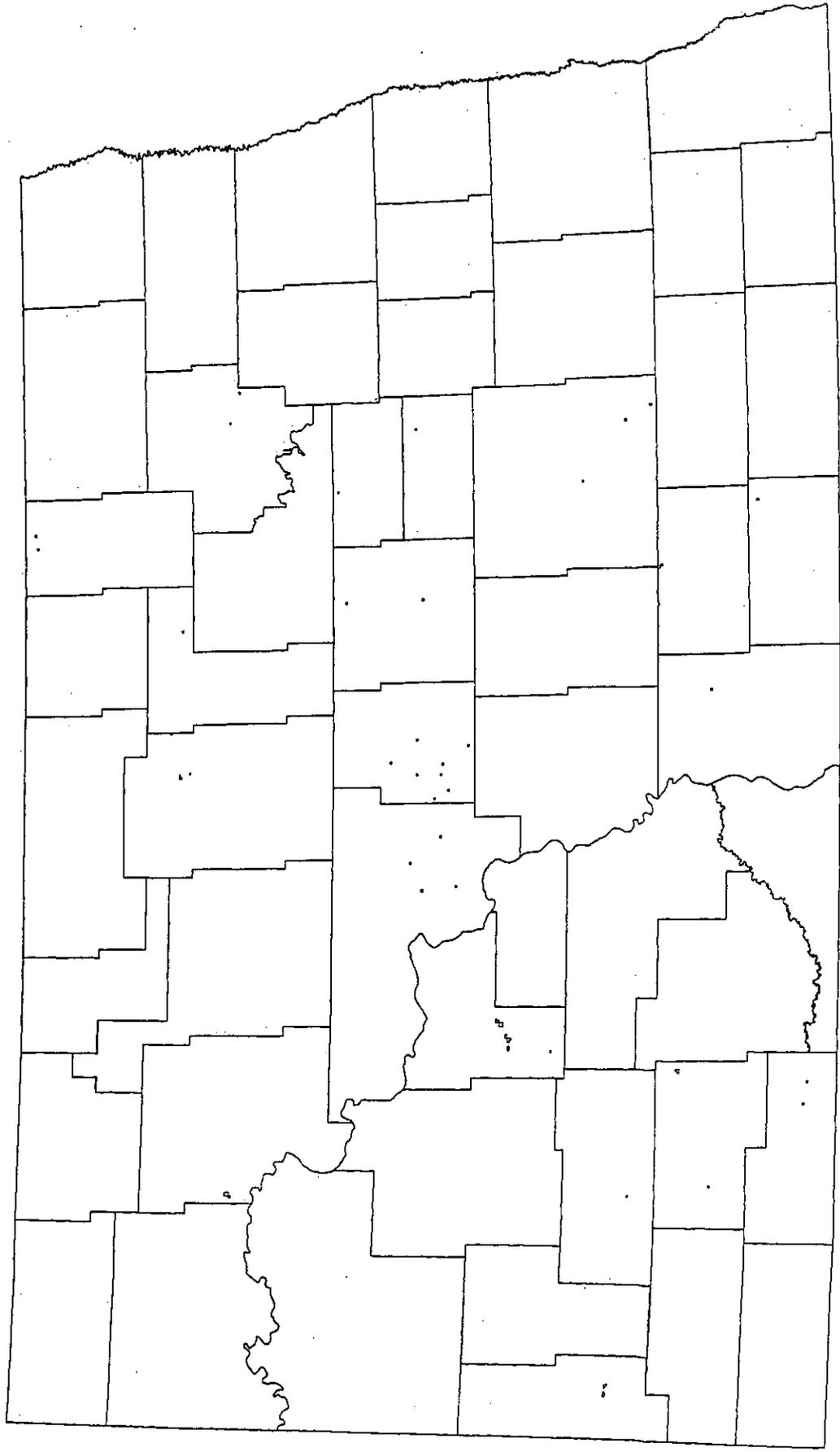
<u>COUNTY</u>				<u>NET</u>	<u>LEASE</u>
<u>TWP</u>	<u>RNG</u>	<u>SEC</u>	<u>DESCRIPTION</u>	<u>ACRES</u>	<u>STATUS</u>
<u>SIOUX</u>					
129	82	9	NW4	80.00	
129	82	9	SW4	80.00	
			County total	160.00	
<u>SLOPE</u>					
135	103	26	SW4	80.00	Active O&G Lease
			County total	80.00	
<u>STARK</u>					
137	95	6	SE4NW4, LOTS 3,4,5	73.99	
137	96	2	S2NE4, LOTS 1,2	79.00	Active O&G Lease
137	96	2	S2NW4, LOTS 3,4	158.25	Active O&G Lease
137	96	2	SE4	80.00	Active O&G Lease
137	96	2	SW4	160.00	Active O&G Lease
138	96	22	NW4	160.00	Active O&G Lease
138	96	22	SW4	160.00	Active O&G Lease
138	96	26	N2NE4	40.00	Active O&G Lease
138	96	26	NW4	160.00	Active O&G Lease
138	96	34	NW4	160.00	Active O&G Lease
			County total	1,231.24	
<u>STUTSMAN</u>					
137	63	26	NE4	160.00	
137	65	20	NW4	80.00	
138	63	20	NW4	160.00	
138	65	18	E2NW4, LOTS 1,2	77.81	
139	65	18	E2SW4, LOTS 3,4	75.42	
139	66	14	NW4	80.00	
139	66	32	NW4	160.00	
140	66	2	S2NE4, LOTS 1,2	144.01	
140	66	6	LOTS 3,4	38.90	
140	66	10	NW4	80.00	
140	66	26	N2NW4	80.00	
			County total	1,136.14	
<u>TOWNER</u>					
160	65	22	SW4	80.00	
160	67	2	SE4	80.00	
160	67	14	NW4	80.00	
161	68	4	SE4	80.00	
161	68	10	NW4	80.00	
161	68	10	SE4	80.00	
161	68	10	SW4	80.00	
162	67	4	SE4	80.00	
162	68	10	NW4	80.00	
162	68	30	NE4	80.00	
162	68	32	SE4	80.00	
163	65	11	NE4	80.00	
163	66	10	NW4	160.00	
163	67	12	SE4	160.00	

Capitol Building Trust Fund
 Summary of Mineral Acreage Owned
 As of December 15, 2009

<u>COUNTY</u>			DESCRIPTION	NET	LEASE
TWP	RNG	SEC		ACRES	
<u>TOWNER - COUNTINUED</u>					
163	68	4	SE4	80.00	
163	68	4	SW4	80.00	
163	68	29	NE4	80.00	
County total				<u>1,520.00</u>	
<u>WALSH</u>					
155	59	6	SE4	160.00	
155	59	7	E2NW4, LOTS 1,2	76.90	
157	59	26	SW4	80.00	
County total				<u>316.90</u>	
<u>WELLS</u>					
146	70	20	NW4	80.00	
147	70	28	SE4	159.32	
147	72	18	SE4	80.00	
147	73	24	NE4	160.00	
149	69	34	SW4	160.00	
149	72	13	NE4	80.00	
149	72	20	SE4	160.00	
150	70	8	W2NW4	53.00	
150	70	22	NE4	160.00	
County total				<u>1,092.32</u>	
TOTAL TRUST MINERAL ACRES				<u><u>27,687.91</u></u>	

2015.3.16.118

Surface Tracts Owned by The Capitol Building Trust Fund



Legend
■ surface

**Capitol Building Trust Fund
Summary of Surface Acreage Owned
As of December 15, 2009**

<u>COUNTY</u>				<u>NET</u>					<u>Estimated</u>
<u>TWP</u>	<u>RNG</u>	<u>SEC</u>	<u>DESCRIPTION</u>	<u>ACRES</u>	<u>HAY</u>	<u>CROP</u>	<u>GRASS</u>	<u>OTHER</u>	<u>Value</u>
<u>ADAMS</u>									
130	92	26	NE4	157.80	-	-	158	-	\$44,063
130	93	24	NW4	160.00	-	-	160	-	\$41,825
County total				<u>317.80</u>					
<u>EDDY</u>									
150	65	8	NE4	153.46	-	-	148	5	\$44,612
County total				<u>153.46</u>					
<u>EMMONS</u>									
134	75	10	SW4	160.00	-	-	160	-	\$63,396
County total				<u>160.00</u>					
<u>FOSTER</u>									
147	63	22	NE4	160.00	-	-	160	-	\$54,850
County total				<u>160.00</u>					
<u>GOLDEN VALLEY</u>									
438	104	2	S2NE4	80.00	-	-	74	6	\$24,582
138	104	2	S2NW4	80.00	-	-	67	13	\$24,887
138	104	2	SE4	160.00	-	-	142	18	\$45,899
138	104	4	S2NE4, LOTS 1,2	157.63	-	-	158	-	\$53,750
138	104	4	S2NW4, LOTS 3,4	160.92	-	-	138	23	\$42,084
County total				<u>638.55</u>					
<u>HETTINGER</u>									
134	96	14	NE4	160.00	-	-	160	-	\$56,947
136	91	34	NE4	160.00	-	-	160	-	\$60,566
136	91	34	SE4	160.00	-	-	160	-	\$64,186
136	91	34	SW4	160.00	-	-	160	-	\$56,947
County total				<u>640.00</u>					
<u>LOGAN</u>									
136	70	2	S2NW4, LOTS 3,4	181.15	-	-	181	-	\$63,468
136	70	2	SE4	160.00	-	-	160	-	\$62,313
136	71	6	LOTS 1,2	102.41	-	-	102	-	\$31,209
County total				<u>443.56</u>					
<u>MCHENRY</u>									
157	75	1	S2NE4, LOTS 1,2	158.08	-	-	158	-	\$42,395
157	76	17	N2SW4	75.05	-	-	75	-	\$22,990
157	76	18	SE4	160.00	-	-	160	-	\$50,825
157	76	32	NE4	160.00	-	-	160	-	\$50,879
County total				<u>553.13</u>					
<u>MCINTOSH</u>									
132	67	18	SE4	160.00	-	-	149	11	\$53,980
County total				<u>160.00</u>					
<u>MCLEAN</u>									
145	82	10	NW4	160.00	-	-	142	18	\$47,322
146	80	22	E2NE4, SW4NE4, LOT 1	160.00	-	-	160	-	\$60,320
147	81	10	SW4	160.00	-	-	142	18	\$44,198
147	82	28	SW4	160.00	-	-	160	-	\$51,520
County total				<u>640.00</u>					

**Capitol Building Trust Fund
Summary of Surface Acreage Owned
As of December 15, 2009**

<u>COUNTY</u>				<u>NET</u>					<u>Estimated</u>
<u>TWP</u>	<u>RNG</u>	<u>SEC</u>	<u>DESCRIPTION</u>	<u>ACRES</u>	<u>HAY</u>	<u>CROP</u>	<u>GRASS</u>	<u>OTHER</u>	<u>Value</u>
<u>MERCER</u>									
141	89	18	NE4	160.00	-	-	160	-	\$49,296
143	88	4	LOTS 1,2	80.20	-	-	80	-	\$29,188
143	88	4	S2NW4, LOTS 3,4	159.80	-	-	160	-	\$45,888
143	88	4	SW4	160.00	-	-	160	-	\$68,840
143	88	8	NE4	160.00	-	-	160	-	\$68,840
143	88	8	NW4	160.00	-	-	160	-	\$60,464
143	88	8	SE4	160.00	-	-	160	-	\$59,347
143	88	8	SW4	160.00	-	-	160	-	\$60,464
143	89	14	SE4	153.10	-	-	153	-	\$61,062
143	89	14	SW4	160.00	-	-	160	-	\$61,581
143	89	20	NE4	160.00	-	-	149	11	\$59,471
143	89	20	NW4	160.00	-	-	160	-	\$40,920
143	89	22	NE4	160.00	-	-	153	7	\$65,856
143	89	22	NW4	160.00	-	-	160	-	\$68,840
143	89	22	SE4	160.00	-	-	160	-	\$52,646
			County total	2,313.10					
<u>MOUNTRAIL</u>									
155	94	28	NE4	160.00	-	-	160	-	\$27,827
155	94	28	NW4	160.00	-	-	160	-	\$29,726
155	94	28	SE4	155.96	-	-	156	-	\$32,059
155	94	28	SW4	155.55	-	-	156	-	\$31,975
155	94	32	NE4	157.47	-	-	157	-	\$40,465
			County total	788.98					
<u>NELSON</u>									
149	61	31	NE4	158.00	-	-	150	8	\$42,105
			County total	158.00					
<u>PIERCE</u>									
157	70	19	NE4	160.00	-	-	154	6	\$36,963
			County total	160.00					
<u>RAMSEY</u>									
154	61	2	NE4	159.00	-	33	20	106	\$27,566
155	62	22	W2SW4	80.00	-	59	-	21	\$31,548
			County total	239.00					
<u>SHERIDAN</u>									
145	76	28	NW4	160.00	-	-	160	-	\$60,573
146	77	20	NW4	160.00	-	-	160	-	\$46,363
146	77	22	SE4	160.00	-	-	160	-	\$58,065
146	78	8	SW4 N. OF RR R/W	129.55	-	-	130	-	\$30,095
146	78	8	SW4 S. OF RR R/W	20.00	-	-	20	-	\$4,620
146	78	34	NW4	160.00	-	-	160	-	\$53,886
147	76	22	NE4	160.00	-	-	160	-	\$58,065
147	77	20	NW4	160.00	-	-	160	-	\$53,050
148	77	14	SW4	160.00	-	-	160	-	\$50,543
			County total	1,269.55					

**Capitol Building Trust Fund
Summary of Surface Acreage Owned
As of December 15, 2009**

<u>COUNTY</u>			<u>DESCRIPTION</u>	<u>NET</u>				<u>Estimated Value</u>	
<u>TWP</u>	<u>RNG</u>	<u>SEC</u>		<u>ACRES</u>	<u>HAY</u>	<u>CROP</u>	<u>GRASS</u>		<u>OTHER</u>
<u>STARK</u>									
138	96	26	NW4	160.00	-	-	160	-	\$68,668
County total				160.00					
<u>STUTSMAN</u>									
137	63	26	NE4	160.00	-	-	160	-	\$70,578
138	63	20	NW4	160.00	-	-	160	-	\$70,196
140	66	26	N2NW4	80.00	-	-	80	-	\$32,807
County total				400.00					
<u>TOWNER</u>									
163	66	10	NW4	160.00	17	102	35	6	\$83,642
163	67	12	SE4	160.00	-	-	79	81	\$27,653
County total				320.00					
<u>WELLS</u>									
147	70	28	SE4	159.32	-	-	159	-	\$55,713
150	70	22	NE4	160.00	-	-	160	-	\$47,982
County total				319.32					
TOTAL SUFACE ACREAGE				9,994.45	17	194	9,426	358	
ESTIMATED VALUE OF SURFACE ACREAGE								\$ 3,285,449	

2015.3.17.11C

COST TO CONTINUE CALCULATION

Assume an employee making \$1000/month.

3 & 3 Scenario (2011-13)

1st Year

$\$1,000 \times 3\% = \$1,030/\text{mo} = \$12,360/\text{year}$

2nd Year

$\$1,030 \times 3\% = \$1,060/\text{mo} = \$12,720/\text{year}$

Total 2011-13 Biennial Cost **\$25,080**

Subsequent Biennium (2013-15)

Employee is now at \$1,060/month.

$\$1,060 \times 24 \text{ months} = \$25,440$

Total Needed in 2013-15	\$25,440
Total in Current Budget 2011-13	<u>\$25,080</u>
Cost to Continue	\$360

4 & 1 Scenario (2011-13)

1st Year

$\$1,000 \times 4\% = \$1,040/\text{mo} = \$12,480/\text{year}$

2nd Year

$\$1,040 \times 1\% = \$1,050/\text{mo} = \$12,600/\text{year}$

Total 2011-13 Biennial Cost **\$25,080**

Subsequent Biennium (2013-15)

Employee is now at \$1,050/month.

$\$1,050 \times 24 \text{ months} = \$25,200$

Total Needed in 2013-15	\$25,200
Total in Current Budget 2011-13	<u>\$25,080</u>
Cost to Continue	\$120

2015. 3. 16-11A

North Dakota - 125th Celebration			
Activity	Biennium 2011-2013	Biennium 2013-2015	Total
125th Community Celebration Grants		\$250,000	\$250,000
125th Special Projects/Events	\$40,000	200,000	240,000
Grand Opening ND Heritage Center			
ND History Curriculum & CD Development			
ND History Competition (Know Your State)			
ND Short Film Contest			
Picture ND - Photo Contest			
Product Development			
125th Communications/Promotion	10,000	30,000	40,000
125th Coordinator & General Operating	50,000	75,000	125,000
Total	\$100,000	\$555,000	\$655,000

Historical Society will be the lead planning agency for the 125th Celebration. Funding is provided to OMB to fund \$40,000 for a temp position for the last year of the biennium, along with \$10,000 of related operating costs. Included in the Historical Society budget is \$40,000 for special events planning and \$10,000 for promotion.

2015.3.16.111

Office of Management and Budget

Object/Revenue	2007-09 Biennium Expenditures	2009-11 Biennium Appropriation	2009-11 Expenditures as of		2011-13 Total Changes	2011-13 Recommendation
			01/01/2011	Compensation		
10 Salaries and Wages						
Salaries - Permanent	511,000	9,320,395	10,992,970	8,048,711	0	11,180,676
Salary Budget Adjustment	511,900	0	0	0	0	1,500,000
Salaries - Other	512,000	2,466	5,575	1,819	0	5,568
Temporary Salaries	513,000	165,807	223,720	165,159	0	261,073
Overtime	514,000	68,875	32,350	34,808	0	33,864
Fringe Benefits	516,000	4,495,697	6,079,805	4,309,505	0	4,641,166
Salary Increase	599,110	0	0	0	503,296	503,296
Benefit Increase	599,160	0	0	0	85,642	85,642
Health Increase	599,161	0	0	0	190,684	190,684
Retirement Increase	599,162	0	0	0	115,411	115,411
EAP Increase	599,163	0	0	0	383	383
TOTAL		14,053,240	17,334,420	12,560,002	895,416	18,517,763
MEANS OF FUNDING						
General Fund TOTAL		10,850,982	12,934,558	9,618,729	748,015	14,233,320
Special Funds TOTAL		3,202,258	4,399,862	2,941,273	147,401	4,284,443
TOTAL		14,053,240	17,334,420	12,560,002	895,416	18,517,763
30 Operating Expenses						
Travel	521,000	214,510	285,254	155,713	0	292,254
Supplies - IT Software	531,000	134,328	59,897	24,104	0	54,157
Supply/Material-Professional	532,000	29,135	37,800	22,553	0	37,500
Food and Clothing	533,000	7,587	11,100	8,363	0	11,625
Bldg, Ground, Maintenance	534,000	441,843	509,200	392,527	0	495,525
Miscellaneous Supplies	535,000	673,525	694,768	519,988	0	824,907
Office Supplies	536,000	55,264	191,080	42,814	0	238,525
Postage	541,000	31,992	42,700	20,402	0	39,700
Printing	542,000	114,771	160,040	108,098	0	132,340
IT Equip Under \$5,000	551,000	57,179	88,750	48,774	0	89,350
Other Equip Under \$5,000	552,000	39,601	45,500	22,452	0	40,500
Office Equip & Furn Supplies	553,000	17,126	13,000	8,821	0	18,250
Utilities	561,000	2,192,057	2,533,173	1,718,235	0	2,698,048
Insurance	571,000	129,370	171,050	167,846	0	145,670
Rentals/Leases-Equip & Other	581,000	423,753	492,700	342,082	0	268,300
Rentals/Leases - Bldg/Land	582,000	185,969	200,300	142,208	0	221,600
Repairs	591,000	744,445	1,041,860	784,761	0	1,038,960
IT - Data Processing	601,000	1,867,647	3,640,658	2,146,446	0	4,551,752
IT - Communications	602,000	119,136	127,597	88,328	0	127,264
IT Contractual Svcs and Rprs	603,000	371,174	1,484,853	822,429	0	595,053
Professional Development	611,000	640,812	699,187	638,740	0	696,347
Operating Fees and Services	621,000	540,713	779,127	574,641	0	731,127
Fees - Professional Services	623,000	351,555	479,500	337,565	0	416,500
TOTAL		9,383,492	13,789,094	9,137,890	0	13,765,254
MEANS OF FUNDING						
Federal Funds TOTAL		72	0	0	0	0
General Fund TOTAL		6,661,761	10,317,102	6,989,522	0	10,315,236
Special Funds TOTAL		2,721,659	3,471,992	2,148,368	0	3,450,018
TOTAL		9,383,492	13,789,094	9,137,890	0	13,765,254

31 Fiscal Management Carryover

Supplies - IT Software	531,000	583,271	0	0	0	0	0
Printing	542,000	0	2,000	1,378	0	(2,000)	0
IT - Data Processing	601,000	466,695	1,000,000	390,911	0	(1,000,000)	0
IT Contractual Svcs and Rprs	603,000	590,236	574,875	0	0	(574,875)	0
Professional Development	611,000	1,068	0	0	0	0	0
Operating Fees and Services	621,000	0	500	47	0	(500)	0
TOTAL		1,641,270	1,577,375	392,336	0	(1,577,375)	0

MEANS OF FUNDING

General Fund TOTAL		1,641,270	1,577,375	392,336	0	(1,577,375)	0
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35 Emergency Commission Contingency Fd

Operating Fees and Services	621,000	262,168	681,579	0	0	18,421	700,000
TOTAL		262,168	681,579	0	0	18,421	700,000

MEANS OF FUNDING

General Fund TOTAL		262,168	681,579	0	0	18,421	700,000
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50 Capital Assets

Other Capital Payments	683,000	203,054	665,298	573,637	0	(155)	665,143
Extraordinary Repairs	684,000	2,587,831	4,487,000	1,472,104	0	2,991,000	7,478,000
Equipment Over \$5000	691,000	38,302	118,000	132,428	0	19,000	137,000
IT Equip/Software Over \$5000	693,000	0	0	0	0	110,000	110,000
TOTAL		2,829,187	5,270,298	2,178,169	0	3,119,845	8,390,143

MEANS OF FUNDING

General Fund TOTAL		2,317,702	5,270,298	2,178,169	0	(60,155)	5,210,143
Special Funds TOTAL		511,485	0	0	0	3,180,000	3,180,000
TOTAL		2,829,187	5,270,298	2,378,169	0	3,119,845	8,390,143

51 Capital Construction Carryover

Fees - Professional Services	623,000	0	629,320	629,320	0	(629,320)	0
Extraordinary Repairs	684,000	365,059	1,180,351	1,139,632	0	(1,180,351)	0
TOTAL		365,059	1,809,671	1,768,952	0	(1,809,671)	0

MEANS OF FUNDING

General Fund TOTAL		0	1,180,351	1,139,632	0	(1,180,351)	0
Special Funds TOTAL		365,059	629,320	629,320	0	(629,320)	0
TOTAL		365,059	1,809,671	1,768,952	0	(1,809,671)	0

60 Grants

Grants, Benefits & Claims	712,000	54,000	430,000	430,000	0	(375,000)	55,000
TOTAL		54,000	430,000	430,000	0	(375,000)	55,000

MEANS OF FUNDING

General Fund TOTAL		54,000	430,000	430,000	0	(375,000)	55,000
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70 Prairie Public Broadcasting

Grants, Benefits & Claims	712,000	2,023,138	3,353,338	3,353,338	0	(2,016,200)	1,337,138
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TOTAL		2,023,138	3,353,338	3,353,338	0	(2,016,200)	1,337,138
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MEANS OF FUNDING

General Fund TOTAL		2,023,138	2,345,238	2,345,238	0	(1,008,100)	1,337,138
Special Funds TOTAL		0	1,008,100	1,008,100	0	(1,008,100)	0
TOTAL		2,023,138	3,353,338	3,353,338	0	(2,016,200)	1,337,138

72 Centers of Excellence							
Professional Development	611,000	3,060	0	0	0	0	0
Operating Fees and Services	621,000	16,500	0	0	0	0	0
Fees - Professional Services	623,000	7,269	0	0	0	0	0
Transfers Out	722,000	7,786,459	0	0	0	0	0
Operating Transfers to CU	723,000	566,171	0	0	0	0	0
TOTAL		8,379,459	0	0	0	0	0

MEANS OF FUNDING							
Special Funds TOTAL		8,379,459	0	0	0	0	0
TOTAL		8,379,459	0	0	0	0	0

73 Student Internship Program							
Transfers Out	722,000	0	182,866	0	0	17,134	200,000
TOTAL		0	182,866	0	0	17,134	200,000

MEANS OF FUNDING							
General Fund TOTAL		0	182,866	0	0	17,134	200,000

75 Heritage Center Expansion Project							
Travel	521,000	2,768	0	0	0	0	0
Supplies - IT Software	531,000	81	0	0	0	0	0
Supply/Material-Professional	532,000	324	0	0	0	0	0
Food and Clothing	533,000	629	0	0	0	0	0
Bldg, Ground, Maintenance	534,000	6	0	0	0	0	0
Office Supplies	536,000	86	0	0	0	0	0
Printing	542,000	1,681	0	0	0	0	0
Other Equip Under \$5,000	552,000	500	0	0	0	0	0
Professional Development	611,000	619	0	0	0	0	0
Operating Fees and Services	621,000	156	0	0	0	0	0
Fees - Professional Services	623,000	863,829	0	0	0	0	0
TOTAL		870,679	0	0	0	0	0

MEANS OF FUNDING							
Special Funds TOTAL		870,679	0	0	0	0	0

77 State Transfers							
Transfers Out	722,000	49,400,000	37,000,000	37,000,000	0	(37,000,000)	0
TOTAL		49,400,000	37,000,000	37,000,000	0	(37,000,000)	0

MEANS OF FUNDING							
General Fund TOTAL		49,150,000	37,000,000	37,000,000	0	(37,000,000)	0
Special Funds TOTAL		250,000	0	0	0	0	0
TOTAL		49,400,000	37,000,000	37,000,000	0	(37,000,000)	0

79 Federal Stimulus Funds							
Salaries - Permanent	511,000	0	70,000	44,885	0	(70,000)	0
Fringe Benefits	516,000	0	20,000	12,910	0	(20,000)	0
Travel	521,000	1,070	16,000	9,690	0	(16,000)	0
IT - Data Processing	601,000	4,743	420,000	1,777	0	(420,000)	0
IT Contractual Svcs and Rprs	603,000	0	30,000	111,904	0	(30,000)	0
Professional Development	611,000	0	100	16,569	0	(100)	0
Operating Fees and Services	621,000	0	127,581	90	0	(127,581)	0
TOTAL		5,813	683,681	197,825	0	(683,681)	0

MEANS OF FUNDING							
Federal Funds TOTAL		5,813	683,681	197,825	0	(683,681)	0

Agency TOTALS

TOTAL EXPENDITURES	89,267,505	82,112,322	67,018,512	895,416	(39,147,024)	42,965,298
TOTAL Federal Funds	5,885	683,681	197,825	0	(683,681)	0
TOTAL General Fund	72,961,021	71,919,367	60,093,626	748,015	(39,868,530)	32,050,837
TOTAL Special Funds	16,300,599	9,509,274	6,727,062	147,401	1,405,187	10,914,461
TOTAL FUNDING	89,267,505	82,112,322	67,018,513	895,416	(39,147,024)	42,965,298
AUTHORIZED EMPLOYEES						
TOTAL AUTHORIZED EMPLOYEES	132.50	132.50	0.00	0.00	(1.00)	131.50

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

	Removes Funding for Prairie Public Broadcasting ¹	Total House Changes
Salaries and wages		
Operating expenses		
Capital assets		
Grants		
Emergency Commission contingency fund		
Prairie Public Broadcasting	(1,837,138)	(1,837,138)
State student internship program		
Total all funds	(\$1,837,138)	(\$1,837,138)
Less estimated income	0	0
General fund	(\$1,837,138)	(\$1,837,138)
FTE	0.00	0.00

¹ Funding of \$1,837,138 from the general fund for Prairie Public Broadcasting is removed. The executive recommendation provided \$1,337,138 of funding for Prairie Public Broadcasting and the Senate added an additional \$500,000.

This amendment also adjusts Section 9 to provide intent that funding is provided to each state agency for a 3 percent state employee salary increase each year of the 2011-13 biennium, the same as the executive recommendation. The Senate included intent that funding is provided for a salary increase of 4 percent the first year of the biennium and 1 percent the second year of the biennium.

¹ Funding provided for one-time extraordinary repairs is reduced by \$60,000, from \$385,381 to \$325,381.

² Funding is added for grants to the 18 municipal-owned armories to be distributed proportionately based on rental rates.

Senate Bill No. 2016 - Department of Emergency Services - House Action

	Executive Budget	Senate Version	House Changes	House Version
Salaries and wages	\$11,363,744	\$11,363,744		\$11,363,744
Operating expenses	9,335,592	9,930,022		9,930,022
Capital assets	2,327,347	2,427,347		2,427,347
Grants	71,419,771	71,419,771		71,419,771
2009 flood disaster	52,923,008	52,923,008		52,923,008
Radio communications	4,335,000	4,235,000	(500,000)	3,735,000
Total all funds	\$151,704,462	\$152,298,892	(\$500,000)	\$151,798,892
Less estimated income	138,482,476	138,882,476	0	138,882,476
General fund	\$13,221,986	\$13,416,416	(\$500,000)	\$12,916,416
FTE	63.00	63.00	0.00	63.00

Department No. 542 - Department of Emergency Services - Detail of House Changes

	Reduces Funding for State Radio Tower Enhancements ¹	Total House Changes
Salaries and wages		
Operating expenses		
Capital assets		
Grants		
2009 flood disaster		
Radio communications	(500,000)	(500,000)
Total all funds	(\$500,000)	(\$500,000)
Less estimated income	0	0
General fund	(\$500,000)	(\$500,000)
FTE	0.00	0.00

¹ One-time funding provided for State Radio tower enhancements is reduced by \$500,000, from \$2 million to \$1.5 million.

A section of legislative intent is added to provide that the Adjutant General work with public and private sector entities to maximize the number of State Radio tower enhancements or additions that may be implemented within the funding provided.

STATE AGENCY PAYMENTS TO PRAIRIE PUBLIC BROADCASTING

The table below details payments from state agencies to Prairie Public Broadcasting during the 2007-09 biennium and the 2009-11 biennium to date.

	2007-09 Biennium	2009-11 Biennium to Date
Council on the Arts	\$34,000	\$33,200
Bismarck State College	2,958	3,325
Dakota College at Bottineau	165	
Dickinson State University	3,885	315
State Fair	37,500	
State Historical Society	15,705	795
Department of Human Services	25,000	20,000
Information Technology Department		2,250
State Library	8,532	6,738
Mayville State University	575	
Minot State University	187,093	1,783
State College of Science	7,000	2,454
North Dakota State University	474,794	299,185
Office of Management and Budget	2,023,138	3,353,338
Department of Transportation	96,279	
University of North Dakota	315,691	496,701
Williston State College	34	64
Total	\$3,232,349	\$4,220,148

2015.4.4/11c

11.8138.02005
Title.

Prepared by the Legislative Council staff for
Representative Glassheim
March 29, 2011

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

Page 1, line 3, replace "and" with "to amend and reenact section 54-27.2-01 of the North Dakota Century Code, relating to the budget stabilization fund;"

Page 1, line 3, after "intent" insert "; and to declare an emergency"

Page 3, after line 17, insert:

"SECTION 9. AMENDMENT. Section 54-27.2-01 of the North Dakota Century Code is amended and reenacted as follows:

54-27.2-01. (Effective through June 30, 2009) 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 five 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.

(Effective after June 30, 2009) 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 ~~ten~~ nine 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."

Page 3, after line 30, insert:

"SECTION 11. EMERGENCY. Section 9 of this Act is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment adds a section to amend North Dakota Century Code Section 54-27.2-01 to reduce the maximum balance of the budget stabilization fund from 10 percent to 9 percent of the state general fund budget as approved by the most recently adjourned regular or special session of the Legislative Assembly. The section is declared to be an emergency measure.

HISTORY OF THE BUDGET STABILIZATION FUND

STATUTORY PROVISIONS

The budget stabilization fund was established by the 1987 Legislative Assembly in House Bill No. 1596. Major provisions include:

- North Dakota Century Code Section 54-27.2-01 establishes the budget stabilization fund and provides that any interest earned on the balance of the budget stabilization fund must be retained in the fund. The section originally provided that any money in the fund in excess of 5 percent of the general fund budget as approved by the most recently adjourned Legislative Assembly must be deposited in the state general fund. The 2007 Legislative Assembly approved House Bill No. 1429 which increased, effective July 1, 2009, the maximum balance allowed in the fund from 5 percent to 10 percent of the general fund budget approved by the most recently adjourned Legislative Assembly.
- Section 54-27.2-02 provides that any amount in the state general fund at the end of the biennium in excess of \$65 million must be transferred to the budget stabilization fund.
- Section 54-27.2-03 provides that the Governor may order a transfer from the budget stabilization fund to the general fund if the director of the Office of Management and Budget (OMB) projects that general fund revenues for the biennium will be at least 2.5 percent less than estimated by the most recently adjourned Legislative Assembly. The amount transferred is limited to the difference between an amount 2.5 percent less than the original legislative general fund revenue forecast and the revised forecast prepared by OMB. Any transfer made must be reported to the Budget Section.

A copy of the statutory provisions is attached as an appendix.

REVENUES AND EXPENDITURES

The following is a summary of revenues and expenditures of the budget stabilization fund since its creation by the 1987 Legislative Assembly:

Biennium	Beginning Balance	Transfer From General Fund Balance at End of Biennium	Interest Earnings	Total Available	Transfers to the General Fund	Ending Balance
1987-89	\$0	\$25,246,378	\$0	\$25,246,378	\$0	\$25,246,378
1989-91	\$25,246,378	\$0	\$2,770,189	\$28,016,567	\$5,967,192 ¹	\$22,049,375
1991-93	\$22,049,375	\$0	\$1,278,908	\$23,328,283	\$23,328,283 ²	\$0
1993-95	\$0	\$0	\$0	\$0	\$0	\$0
1995-97	\$0	\$0 ³	\$0	\$0	\$0	\$0
1997-99	\$0	\$0	\$0	\$0	\$0	\$0
1999-2001	\$0	\$0	\$0	\$0	\$0	\$0
2001-03	\$0	\$0	\$0	\$0	\$0	\$0
2003-05	\$0	\$99,472,631	\$0 ⁴	\$99,472,631	\$0	\$99,472,631
2005-07	\$99,472,631	\$100,527,369	\$0 ⁴	\$200,000,000	\$0	\$200,000,000
2007-09	\$200,000,000	\$124,936,548	\$0 ⁴	\$324,936,548	\$0	\$324,936,548
2009-11	\$324,936,548	\$4,620,406 ⁵	\$0 ⁴	\$329,556,954	\$0	\$329,556,954

¹During the 1989-91 biennium, the Budget Section approved OMB's proposed general fund reductions totaling \$95,763,770 caused by the loss of sales tax revenue, individual income tax revenue, and gas tax revenue due to the referral of the sales tax, individual income tax, and gas tax measures on the December 5, 1989, special election ballot. After the budget reductions had been approved by the Budget Section, the Governor ordered a transfer of \$5,967,192 from the budget stabilization fund to select agencies.

²The 1991 Legislative Assembly enacted legislation, which was effective for only the 1991-93 biennium, to allow the Governor to transfer any necessary funds from the budget stabilization fund to the state general fund to offset a negative balance in the state general fund. Pursuant to this legislation, the Governor transferred \$23,328,283 from the budget stabilization fund to the general fund. In addition, during the 1991-93 biennium, OMB reduced general fund appropriations by a total of \$4,305,000, which represents approximately .4 percent of total general fund appropriations for the biennium, as a result of projected lower general fund revenues.

³At the end of the 1995-97 biennium, \$17,116,290 would have been transferred to the budget stabilization fund; however, this amount was transferred to the Bank of North Dakota pursuant to Section 21 of 1997 House Bill No. 1015. The funds became part of the Bank of North Dakota's undivided profits.

⁴Interest is deposited in the general fund because the balance in the fund is at the maximum allowed under Section 54-27.2-01.

⁵The amount shown is based on the executive budget estimate of a June 30, 2011, general fund balance of \$84,247,950 and the executive recommendation providing total 2011-13 biennium general fund appropriations of \$3,295,569,541; therefore, the maximum balance in the fund is limited to \$329,556,954.

CHAPTER 54-27.2 BUDGET STABILIZATION FUND

54-27.2-01. (Effective through June 30, 2009) 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 five 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.

(Effective after June 30, 2009) 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 ten 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.

54-27.2-02. Certain general fund revenues to be deposited in the budget stabilization fund. Notwithstanding any other provision of law except section 54-27.2-01, any amount in the state general fund in excess of sixty-five million dollars at the end of any biennium must be transferred by the state treasurer to the budget stabilization fund. For purposes of this section, "at the end of any biennium" means after cancellation of unexpended appropriations under section 54-44.1-11.

54-27.2-03. Transfers and expenditures from budget stabilization fund. If the director of the office of management and budget projects that general fund revenues for the biennium will be at least two and one-half percent less than estimated by the most recently adjourned special or regular session of the legislative assembly, and if the governor orders a transfer, which must be reported to the budget section of the legislative management, the state treasurer shall transfer the appropriate funds from the budget stabilization fund to the state general fund to offset the decrease in general fund revenues. The amount transferred from the budget stabilization fund upon order of the governor may not exceed the difference between an amount two and one-half percent below the general fund revenue projections for the biennium of the most recently adjourned special or regular session of the legislative assembly and the general fund revenue projections for the biennium by the director of the office of management and budget. The amount transferred from the budget stabilization fund upon order of the governor to the state general fund may be expended within the limits of legislative guidelines and general fund appropriations of the most recently adjourned special or regular session of the legislative assembly. For purposes of this section, "general fund revenues for the biennium" and "general fund revenue projections for the biennium" include the general fund balance at the beginning of the biennium.

ESTIMATED STATE TRANSPORTATION FUNDING DISTRIBUTIONS TO COUNTIES, CITIES, AND TOWNSHIPS

The table below details estimated state transportation funding distributions to counties, cities, and townships included in the executive recommendation and estimated distributions based on proposed amendments to Engrossed House Bill No. 1012 (11.8154.02006).

Estimated State Transportation Funding Distributions (Amounts Shown in Millions)				
	Counties	Cities	Townships	Total
Distributions from the highway tax distribution fund included in the 2011-13 executive recommendation	\$101.1	\$57.5	\$12.5	\$171.1
Adjustments				
Removal of 25 percent of motor vehicle excise tax deposits in the highway tax distribution fund ¹	(10.2)	(5.8)	(1.3)	(17.3)
Transportation funding distributions to non-oil-producing counties, cities, and townships for the 2009-11 biennium ²	17.9	10.1	7.0	35.0
Transportation funding distributions to non-oil-producing counties, cities, and townships for the 2011-13 biennium ²	12.8	7.2	5.0	25.0
Total proposed adjustments	\$20.5	\$11.5	\$10.7	\$42.7
Adjusted estimated distributions³	\$121.6	\$69.0	\$23.2	\$213.8

¹Engrossed House Bill No. 1012 removes the provision to deposit 25 percent of motor vehicle excise tax collections in the highway tax distribution fund that was included in the executive recommendation.

²Engrossed House Bill No. 1012 provides \$25 million for transportation funding distributions to non-oil-producing areas during the 2009-11 biennium and \$25 million for transportation funding distributions to non-oil-producing areas during the 2011-13 biennium. The proposed amendments to Engrossed House Bill No. 1012 increase the 2009-11 transportation funding distributions to \$35 million.

³Does not include \$142 million for a county and township road program in areas affected by oil and gas development that was not changed in Engrossed House Bill No. 1012 and is not affected by the proposed amendment.

Transit was to receive 1.50% of Hwy Tax Distribution Fund for a total of 6.9 million. However, by removing the 25% MV Excise Tax they lost .7 million or \$700,000

This amendment restores the \$700,000 which was in the Gov budget.

*Notice The Counties increased 20.5M over Gov. B
The Cities increased 11.5M over Gov B
The Townships increased 10.7M over Gov B*

Transit lost \$700,000

ARE NOT ASKING FOR ANY OF THE 35M or 25M

PROPOSED CORPORATE INCOME TAX REVENUE REVISION - MARCH 23, 2011

CORPORATE INCOME TAX REVENUE REVISION - CURRENT LAW

The following is a summary of a proposed March 2011 revision to February 2011 corporate income tax revenue estimates for the 2009-11 and 2011-13 bienniums anticipated to be available under current law. The proposed revision is due to a change in federal law relating to accelerated depreciation on eligible capital investments approved by Congress in December 2010.

2009-11 Biennium Revenue Forecast				
General Fund Revenue Source	2009 Legislative Forecast	Executive Forecast December 2010	Revised Forecast February 2011	March 2011 Revision
Corporate income tax	\$239,110,000	\$179,074,592	\$183,256,592	\$183,256,592

2011-13 Biennium Revenue Forecast			
General Fund Revenue Source	Executive Forecast December 2010	Revised Forecast February 2011	March 2011 Revision
Corporate income tax	\$192,205,000	\$198,577,000	\$152,577,000

BUDGET STATUS ADJUSTMENT

The following is a motion for consideration by the Appropriations Committees affecting projected general fund revenues that include adjustments resulting from the March 2011 revision to the February 2011 revenue forecast:

It was moved by Robinson and seconded by Grindberg that the House (Senate) Appropriations Committee of the 62nd Legislative Assembly adopt, for Legislative Council budget status reporting purposes, the following adjustments to corporate income tax revenue estimates reflected in the February 14, 2011, revenue forecast for the 2011-13 biennium:

Revisions	
Adjustment to 2011-13 biennium corporate income tax revenues due to a change in federal law relating to accelerated depreciation on eligible capital investments	(\$46,000,000)
Total adjustments to revised February 2011 forecast	(\$46,000,000)

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

#1

BASE ONE®

Aggregate Base Stabilizer

Braun Intertec conducted a resilient modulus test on BASE ONE® to measure the material stiffness. The test was performed on two roadbed aggregate base materials, one with BASE ONE® and one without. BASE ONE® was added at the recommended rate of .005 gallons per square yard per inch. The granular material with BASE ONE® was allowed to cure for seven days.

Testing was completed in accordance with the American Association of State Highway and Transportation Officials (AASHTO), test method T 307-99.

The following table is a summary of the resilient modulus test.

**AVERAGE RESILIENT MODULUS
(PSI)**

Confining Pressure (psi)	Granular Material without BASE ONE®	Granular Material with BASE ONE®	Difference (psi)	Difference (%)
3	6869	10798	3929	57.1
5	8914	16045	7131	79.9
10	15446	26378	10932	70.7
15	23034	31323	8289	35.9
20	29343	39476	10133	34.5

**GRADATION RESULTS ON
TESTED GRANULAR MATERIAL**

Coarse Sieves	Percent Passing
1"	100
3/4"	96
3/8"	79.3
#4	67.1
#10	55.8
#30	37.6
#40	30.3
#200	8.5

As you can see in the test results, the granular material with BASE ONE® tested higher at each level of confining pressure (psi) than the granular material tested without BASE ONE®. This is an average of 55.62% increase in material stiffness. This implies that the material containing BASE ONE® will provide more support for a pavement system than that of material with a lower resilient modulus. These test results also explain why gravel roads treated with BASE ONE® have greater strength and stability than gravel roads that are not treated with BASE ONE®.

*For more information on this Braun Intertec Resilient Modulus test,
please contact Team Lab at 800-522-8326.*

Knudson, Allen H.

From: Larson, Brady A.
Sent: Tuesday, April 26, 2011 3:30 PM
To: Knudson, Allen H.
Subject: Road Product

This is what I received from DOT regarding the road material that was mentioned by Sen. Stenehjem.

From: Leftwich, Dave E.
Sent: Tuesday, April 26, 2011 10:29 AM
To: Larson, Brady A.
Subject: FW: Mouse River State Park Base Stabilizer

Brady,

If you need more information, please let me know.

Thanks,

Dave

From: Leben, Kent H.
Sent: Tuesday, April 26, 2011 10:27 AM
To: Leftwich, Dave E.
Subject: Mouse River State Park Base Stabilizer

Dave,

I spoke with Kent Indvik from Wold Engineering about the base stabilization and chip seal project in Renville county. The project was on a 3 mile stretch from ND 5 North to Mouse River State Park.

The base stabilizer used was **Base One** by **Teamlab** out of Detroit Lakes, MN. Kent Indvik said Base One was chosen because it is approximately 1/3rd the cost of comparable base stabilizers. The website for Base One is <http://www.teamlab.net/T15.php> - on the website you can view a product video, see test results, review a case study or request more info on the product.

The first mile of the project received 4" of gravel mixed with Base One and a prime coat, as it will receive a 2" HBP overlay this summer. The next 2 miles received 3" of gravel mixed with Base One and a double chip seal.

As far as durability, Kent said that entire stretch is holding up well.

Thank you,

Kent Leben
Rural Programs
NDDOT Local Government Division
(701)328-3482

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- > a network of other professionals important to career success

Coursework will involve the essential components of theory, research and practice, and will focus on the following core elements:

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- > interpersonal relations and ethics
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- > technology and information systems
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Master of Education (MEd) in Educational Leadership

Master's Degree
 New students may begin August 2011

What Others Have Said

"I have never been around as many educators that want to do great things than those who are in my Bismarck program. The instructors have a passion for what they do which empowers us as adult students to push ourselves to greatness. The technology used, information shared, and accountability to our learning is second to none! (That's said by someone who has her undergrad at the other 'green' university!)"
 - Penny Veit-Hetletved, North Dakota Youth Correctional Center, Mandan, ND

"The UND Educational Leadership Distance Education program has been perfect for me. The instructors are our educational leaders, our mentors and supporters. As I continue my leadership role in my community and school, I know the program, along with my advisor and mentors, has given and will continue to give me the tools I need to be successful."
 - Luanna Fisketjon, Williston, ND

"I am a student in the Educational Leadership master's program. I am e-mailing you to let you know how very much I appreciate this program. The instructors have been exceptional and helpful. The flexibility in using the online tools have made it manageable to balance my course load and work in my administrative role. The [program] has been an awesome way to foster encouragement and support as we move together in our areas. I highly recommend this program for the future. It provides a reasonable plan as leaders of our future are prepared."
 - Sara Mitzel, Elementary Principal and Facilities Manager, Shiloh Christian School, Bismarck, ND

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Graduate School

North Dakota State University, Fargo, N.D.

Educational Leadership

Program Description

The Master's and Specialist degrees in Educational Leadership involves course work through the Tri-College University.

The principle purpose of the program is to provide professional/academic education for individuals preparing for mid-management administrative positions (i.e., elementary school principal, secondary school principal or higher education administrator), and upper-level administrative positions (i.e., superintendent of schools). The Educational Leadership program prepares students for Master of Education (M.Ed), Master of Science (M.S.) and Education Specialist (Ed.S.) degrees in Educational Administration. Programs meet certification requirements in the various areas appropriate to K-12 administration.

The NDSU programs in education are accredited by National Council for Accreditation of Teacher Education and are approved by the ND Education Standards and Practices Board. Changes in national and state legislation, standards, or rules can affect academic program requirements.

Admissions Requirements

Required materials for the Education Specialist (Ed.S.) degree in Educational Leadership are:

1. A completed signed application form;
2. Official transcripts of all previous collegiate work, including one verifying graduation with a master's degree from an accredited institution;
3. A cumulative GPA of 3.25 or higher in all graduate-level courses;
4. Resume including credentials, licenses and certificates;
5. Two references that evaluate the applicant's potential for success as a graduate student and as an educational leader; and
6. A leadership essay.

For either the Master of Education (M.Ed.) or the Master of Science (M.S.) programs the required materials are:

1. A completed, signed application form;
2. Official transcripts of all previous collegiate work, including one verifying graduation with a baccalaureate degree from an accredited institution;
3. A cumulative baccalaureate GPA of 3.0 or higher on a 4.0 scale or equivalent.
4. Resume including credentials, licenses and certificates;
5. Two references that evaluate the applicant's potential for success as a graduate student in the chosen master's degree program and as an educational leader;
6. and a leadership essay

School of Education Faculty

Mari Borr, Ph.D.

University of North Dakota, 2005
Research Interests: Qualitative Research, Family and Consumer Science Education, Adolescent Development, Experiential Learning, and Professional Development Evaluation

Carol E. Buchholz, Ph.D.

Kansas State University, 2005
Research Interests: School Counseling; Career Education, Crisis Management Preparation, Trauma

Stacy Duffield, Ph.D.

University of North Dakota, 2003
Research Interests: Middle School, Literacy, Learning Theory, and Instructional Practices

Myron Eighmy, Ph.D.

University of Minnesota, 1995
Research Interests: Higher Education Policy, Training and Human Resources Development, State and Federal Policy for Workforce Education and Training

Kathy B. Enger, Ph.D.

University of North Dakota, 2003
Research Interests: Collaborative leadership in higher education, Women and leadership in th feminized professions, Strategic planning, Citation analysis

Brenda Hall, Ed.D

Virginia Polytechnic Institute and State University, 1993
Research Interests: Intimate Partner Violence, Community/School partnerships, Collaborative Group Practices

Thomas Hall, Ed.D.

University of South Dakota, 2005
Research Interests: Community Education, Adult Learning

Gerald Ketterling, Ph.D.

Qualified students may apply for admission to graduate programs in the School of Education leading to Education Specialist, (Ed.S.), Master of Education (M.Ed.), or Master of Science (M.S.) degrees. In addition to requirements described under academic information elsewhere in this bulletin, criteria are stated below that will be considered at the time of application for admission into graduate study. Admission is considered only after all required application materials have been received and reviewed. Where appropriate, all international student requirements must be met. If a program has a cohort group with enrollment limitations, an entrance interview will be required.

The School of Education reserves the right to obtain additional information about the student's professional competence from qualified professionals.

Admission decisions are based upon the predicted success of the applicant as a student and professional in the chosen field and are made only after considering all available data. The criteria for admission are as follows:

NOTE: Earning an academic/professional degree does not necessarily lead to state credential or licensure. People seeking licensure must provide evidence of the required number of years of teaching or counseling, and, in the case of school administration, administrative experience. Potential and current students should consult with the appropriate academic program coordinator for advice about licensure, certification, or credentialing after communicating with the appropriate state official.

Full Standing Admission

A student must meet all requirements for full admission. The following criteria act as guidelines for full acceptance: A cumulative baccalaureate GPA of 3.0 or better on a 4.0 scale, a GPA of at least 3.25 during the final 30 semester credits of graded undergraduate course work, or a minimum GPA of 3.0 on 10 semester credits of graduate course work.

After being accepted for graduate study in the School of Education, the student should contact an adviser assigned to her/him for assistance in filing a plan of study for consideration by the School of Education.

All enrollments in Education courses before the student files a graduate plan of study must be approved by the adviser. The School of Education will evaluate graduate courses taken prior to filing the graduate plan of study when the student's plan of study is being considered. Only those courses approved by the School of Education may be included on the final plan of study leading to the degree.

Financial Assistance

Graduate assistantships are available in the School of Education. Applications are considered on the basis of scholarship, potential to undertake advanced study and research, and financial need. Students must be accepted into The Graduate School before they are eligible for an assistantship.

Degree Requirements

University of Iowa, 1992
Research Interests: Science Education; Problem-Based Learning Across the Science Curriculum; Student Centered Inquiry in the Science Classroom; Alternative Certification Curriculum

Denise K. Lajimodiere, Ed.D.
University of North Dakota, 2006
Research Interests/Area of Expertise: Native American Female Leadership; Horizontal Violence/Relational Aggression and girl bullying among young Native females living on reservations

William O. Martin, Ph.D.
University of Wisconsin, 1993
Research Interests: Mathematics Education, Assessment

Larry Napoleon, Ph.D.
The Pennsylvania State University-University Park, 2009

Research Interests: Student Options and Retention, Career and Technical Education, Historically Disenfranchised Learners, African-American History

Jill Nelson, Ph.D.
Kent State, 2005
Research Interests: Community Counseling, Counselor Education Counselor Supervision, Brief and Solution-Focused Approaches

Robert C. Nielsen, Ed.D.
University of Northern Colorado, 1973
Research Interests: School Counseling, Stress Management, Cognitive Counseling

Claudette Peterson, Ed.D.
Oklahoma State University, 2006
Research Interests/Areas of Expertise: Adult Education, Nonformal Education, Learning Strategies, Instrumented Learning

David Silkenat, Ph.D.

Master's programs within the School of Education require a minimum of 30 semester credits (minimums vary by academic program). The Master of Science (M.S.) degree requires a disquisition. The Master of Education (M.Ed.) degree is a non-disquisition, practitioner-oriented degree. Programs vary on requiring a written comprehensive exam or a portfolio/oral.

[Click here for course descriptions.](#)

University of North Carolina at Chapel Hill, 2008

Research Interests: History Education, Social Studies Education, Gifted Education

Justin J. Wageman, Ph.D.

University of North Dakota, 1999

Research Interests: Standards, Curriculum, Instruction, Assessment, Professional Development and Evaluation

Anita Welch, Ph.D.

University of Kansas, 2007

Research Interests: Science Education, Curriculum Design, "At-Risk" Youth, Informal Science Education

Brent Young, Ph.D.

Oklahoma State University, 2006

Research Interests: Building Academic Skills in the Context of Career and Technical Education, Student Learning and Achievement in Agricultural Education, Student teacher-cooperating teacher relationships, Experiential Learning

Nathan Wood, Ph.D.

University of Minnesota, 2006

Research Interests: Relationships Among Affective and Social Factors, Learning, and Achievement

Last updated: Wednesday, October 13, 2010

7:46:41AM

NDSU Graduate School

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Fargo, ND 58108

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HISTORY OF THE BUDGET STABILIZATION FUND**STATUTORY PROVISIONS**

The budget stabilization fund was established by the 1987 Legislative Assembly in House Bill No. 1596. Major provisions include:

- North Dakota Century Code Section 54-27.2-01 establishes the budget stabilization fund and provides that any interest earned on the balance of the budget stabilization fund must be retained in the fund. The section originally provided that any money in the fund in excess of 5 percent of the general fund budget as approved by the most recently adjourned Legislative Assembly must be deposited in the state general fund. The 2007 Legislative Assembly approved House Bill No. 1429 which increased, effective July 1, 2009, the maximum balance allowed in the fund from 5 percent to 10 percent of the general fund budget approved by the most recently adjourned Legislative Assembly.
- Section 54-27.2-02 provides that any amount in the state general fund at the end of the biennium in excess of \$65 million must be transferred to the budget stabilization fund.
- Section 54-27.2-03 provides that the Governor may order a transfer from the budget stabilization fund to the general fund if the director of the Office of Management and Budget (OMB) projects that general fund revenues for the biennium will be at least 2.5 percent less than estimated by the most recently adjourned Legislative Assembly. The amount transferred is limited to the difference between an amount 2.5 percent less than the original legislative general fund revenue forecast and the revised forecast prepared by OMB. Any transfer made must be reported to the Budget Section.

A copy of the statutory provisions is attached as an appendix.

REVENUES AND EXPENDITURES

The following is a summary of revenues and expenditures of the budget stabilization fund since its creation by the 1987 Legislative Assembly:

Biennium	Beginning Balance	Transfer From General Fund Balance at End of Biennium	Interest Earnings	Total Available	Transfers to the General Fund	Ending Balance
1987-89	\$0	\$25,246,378	\$0	\$25,246,378	\$0	\$25,246,378
1989-91	\$25,246,378	\$0	\$2,770,189	\$28,016,567	\$5,967,192 ¹	\$22,049,375
1991-93	\$22,049,375	\$0	\$1,278,908	\$23,328,283	\$23,328,283 ²	\$0
1993-95	\$0	\$0	\$0	\$0	\$0	\$0
1995-97	\$0	\$0 ³	\$0	\$0	\$0	\$0
1997-99	\$0	\$0	\$0	\$0	\$0	\$0
1999-2001	\$0	\$0	\$0	\$0	\$0	\$0
2001-03	\$0	\$0	\$0	\$0	\$0	\$0
2003-05	\$0	\$99,472,631	\$0 ⁴	\$99,472,631	\$0	\$99,472,631
2005-07	\$99,472,631	\$100,527,369	\$0 ⁴	\$200,000,000	\$0	\$200,000,000
2007-09	\$200,000,000	\$124,936,548	\$0 ⁴	\$324,936,548	\$0	\$324,936,548
2009-11	\$324,936,548	\$4,620,406 ⁵	\$0 ⁴	\$329,556,954	\$0	\$329,556,954

¹During the 1989-91 biennium, the Budget Section approved OMB's proposed general fund reductions totaling \$95,763,770 caused by the loss of sales tax revenue, individual income tax revenue, and gas tax revenue due to the referral of the sales tax, individual income tax, and gas tax measures on the December 5, 1989, special election ballot. After the budget reductions had been approved by the Budget Section, the Governor ordered a transfer of \$5,967,192 from the budget stabilization fund to select agencies.

²The 1991 Legislative Assembly enacted legislation, which was effective for only the 1991-93 biennium, to allow the Governor to transfer any necessary funds from the budget stabilization fund to the state general fund to offset a negative balance in the state general fund. Pursuant to this legislation, the Governor transferred \$23,328,283 from the budget stabilization fund to the general fund. In addition, during the 1991-93 biennium, OMB reduced general fund appropriations by a total of \$4,305,000, which represents approximately .4 percent of total general fund appropriations for the biennium, as a result of projected lower general fund revenues.

³At the end of the 1995-97 biennium, \$17,116,290 would have been transferred to the budget stabilization fund; however, this amount was transferred to the Bank of North Dakota pursuant to Section 21 of 1997 House Bill No. 1015. The funds became part of the Bank of North Dakota's undivided profits.

⁴Interest is deposited in the general fund because the balance in the fund is at the maximum allowed under Section 54-27.2-01.

⁵The amount shown is based on the executive budget estimate of a June 30, 2011, general fund balance of \$84,247,950 and the executive recommendation providing total 2011-13 biennium general fund appropriations of \$3,295,569,541; therefore, the maximum balance in the fund is limited to \$329,556,954.

**CHAPTER 54-27.2
BUDGET STABILIZATION FUND**

54-27.2-01. (Effective through June 30, 2009) 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 five 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.

(Effective after June 30, 2009) 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 ten 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.

54-27.2-02. Certain general fund revenues to be deposited in the budget stabilization fund. Notwithstanding any other provision of law except section 54-27.2-01, any amount in the state general fund in excess of sixty-five million dollars at the end of any biennium must be transferred by the state treasurer to the budget stabilization fund. For purposes of this section, "at the end of any biennium" means after cancellation of unexpended appropriations under section 54-44.1-11.

54-27.2-03. Transfers and expenditures from budget stabilization fund. If the director of the office of management and budget projects that general fund revenues for the biennium will be at least two and one-half percent less than estimated by the most recently adjourned special or regular session of the legislative assembly, and if the governor orders a transfer, which must be reported to the budget section of the legislative management, the state treasurer shall transfer the appropriate funds from the budget stabilization fund to the state general fund to offset the decrease in general fund revenues. The amount transferred from the budget stabilization fund upon order of the governor may not exceed the difference between an amount two and one-half percent below the general fund revenue projections for the biennium of the most recently adjourned special or regular session of the legislative assembly and the general fund revenue projections for the biennium by the director of the office of management and budget. The amount transferred from the budget stabilization fund upon order of the governor to the state general fund may be expended within the limits of legislative guidelines and general fund appropriations of the most recently adjourned special or regular session of the legislative assembly. For purposes of this section, "general fund revenues for the biennium" and "general fund revenue projections for the biennium" include the general fund balance at the beginning of the biennium.

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OVERVIEW OF SENATE BILL NO. 2015 WITH CONFERENCE COMMITTEE AMENDMENTS

Section	Description	Source
3	Transfers \$100,000 from the general fund to the public transportation fund	House version
4	Provides for a transfer from the strategic investment and improvements fund (formerly the lands and minerals trust fund) to the general fund - Amount to be determined	Executive recommendation
5	Provides carryover authority for certain appropriations of the Office of Management and Budget	Executive recommendation
6	Provides intent regarding funding for grants and special items included in the Office of Management and Budget appropriation	Executive recommendation
7	Allows funding for the state internship program to be transferred to other state agencies from the Office of Management and Budget	Executive recommendation
8, 9, 10	Provides guidelines regarding state employee compensation adjustments	Hay Group study
11	Requires executive branch state agencies to include the Information Technology Department in project planning for information technology projects with an estimated cost of \$100,000 or more	House version
12	Requires certain draft appropriations acts to be submitted to the 63 rd Legislative Assembly in an alternative format	House version
13	Allows the Department of Transportation to design and procure or construct additional office space for motor vehicle branch offices	Senator Lyson
14	Provides an appropriation from the general fund for the Department of Human Services' Medicaid management information system project	HB 1451 adjustment
15, 16, 17, 18	Adjusts various bills to provide appropriations from the general fund rather than the permanent oil tax trust fund	HB 1451 adjustment
19	Provides a 2009-11 biennium appropriation to the Superintendent of Public Instruction for mill levy reduction grants	Senator Stenehjem
20	Provides an appropriation to the State Board of Higher Education for educational leadership programs at the University of North Dakota and North Dakota State University	Senator Flakoll
21	Declares HB 1185, relating to road construction project contracts, to be an emergency measure	Representative Carlson
22	Adds a section to create a new subdivision to subsection 6 of a new unnumbered section added to Chapter 52.1-02 in HB 1438 relating to an employer's prohibition of firearms	House version
23	Declares SB 2083, relating to garnishment of wages by the Office of Management and Budget, to be an emergency measure	Office of Management and Budget
24	Allows the Department of Transportation to lease or provide office space to independent motor vehicle branch managers	Senator Lyson
25	Adds statutory language regarding bids on public improvement projects and change order approval by the Office of Management and Budget of expenses in excess of the bid amount	House version
26	Increases the lodging rate for members of the Legislative Assembly	HB 1141 - Section 1
27	Adds a new subdivision to a subsection created in HB 1145 regarding auditing provisions of political subdivisions and other entities	Senator Stenehjem
28	Adds clarifying language regarding petitions submitted to the Emergency Commission	House version
29	Provides for reporting requirements by state agencies that apply for federal grants	House version
30	Changes the membership of the Employee Benefits Programs Committee	House version

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

Page 1, line 3, after the second semicolon insert "to create and enact a new section to chapter 48-01.2 of the North Dakota Century Code, relating to the cancellation of excess general fund appropriations for public improvements;"

Page 3, after line 30, insert:

"SECTION 10. A new section to chapter 48-01.2 of the North Dakota Century Code is created and enacted as follows:

Cancellation of excess appropriation.

Upon accepting a bid under this chapter, if the accepted bid is less than all funds dedicated to the public improvement, the governing body of an entity that has received an appropriation of moneys from the general fund of the state treasury for the public improvement immediately shall notify the office of management and budget. The office of management and budget shall cancel the balance of the general fund share in excess of the bid amount."

Renumber accordingly

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

Page 1, remove line 19

Page 1, replace line 22 with:

"Total all funds	\$50,937,875	(\$8,309,715)	\$42,628,160"
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Page 1, replace line 24 with:

"Total general fund	\$36,249,096	(\$4,535,397)	\$31,713,699"
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Page 2, replace line 7 with:

"Prairie public broadcasting	\$2,016,200		\$0"
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Page 2, replace line 15 with:

"Total all funds	\$6,681,735		\$3,850,000"
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Page 2, replace line 17 with:

"Total general fund	\$4,858,100		\$3,850,000"
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Page 3, line 21, replace "the same percentage increase" with "three percent annually"

Page 3, line 24, replace "four" with "three"

Page 3, line 25, replace "one" with "three"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2015 - Office of Management and Budget - House Action

	Executive Budget	Senate Version	House Changes	House Version
Salaries and wages	\$18,517,763	\$18,517,763		\$18,517,763
Operating expenses	13,765,254	13,765,254		13,765,254
Capital assets	8,390,143	9,390,143		9,390,143
Grants	55,000	55,000		55,000
Emergency Commission contingency fund	700,000	700,000		700,000
Prairie Public Broadcasting	1,337,138	1,837,138	(1,837,138)	
State student internship program	200,000	200,000		200,000
Total all funds	\$42,965,298	\$44,465,298	(\$1,837,138)	\$42,628,160
Less estimated income	10,914,461	10,914,461	0	10,914,461
General fund	\$32,050,837	\$33,550,837	(\$1,837,138)	\$31,713,699
FTE	131.50	131.50	0.00	131.50

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

Page 1, line 2, after "budget" insert "; to amend and reenact section 54-35-02.3 of the North Dakota Century Code, relating to the legislative management employee benefits programs committee"

Page 3, after line 30, insert:

"SECTION 10. AMENDMENT. Section 54-35-02.3 of the North Dakota Century Code is amended and reenacted as follows:

54-35-02.3. Employee benefits programs committee - Appointment - Selection of chairman.

The legislative management, during each biennium, shall appoint an employee benefits programs committee in the same manner as the legislative management appoints other interim committees. The legislative management shall appoint ~~five~~seven members of the house of representatives and ~~four~~six members of the senate to the committee. The legislative management shall designate the chairman of the committee. The committee shall operate according to the statutes and procedure governing the operation of other legislative management interim committees."

Renumber accordingly

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

Page 1, line 3, after the first semicolon insert "to provide for an alternative format for selected draft appropriations acts introduced to the sixty-third legislative assembly;"

Page 3, after line 17, insert:

**"SECTION 9. DRAFT APPROPRIATIONS ACTS - ALTERNATIVE FORMAT
PILOT PROJECT - SIXTY-THIRD LEGISLATIVE ASSEMBLY - EXCEPTION.**

Notwithstanding subsection 7 of section 54-44.1-06, the draft of proposed appropriations acts submitted by the governor for introduction to the sixty-third legislative assembly for the highway patrol, protection and advocacy project, secretary of state, and public service commission must be at the same level of ongoing funding as provided by the sixty-second legislative assembly. The governor shall attach a proposed draft amendment to the draft appropriations acts for these agencies making the funding changes necessary to provide for the appropriations as recommended by the governor, for the biennium beginning July 1, 2013, and ending June 30, 2015."

Re-number accordingly

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

Page 1, line 2, after the semicolon insert "to create and enact a new section to chapter 54-27 of the North Dakota Century Code, relating to reports on federal grants;"

Page 3, after line 2, insert:

"SECTION 6. A new section to chapter 54-27 of the North Dakota Century Code is created and enacted as follows:

Report on federal grants by state agency.

Each state agency shall report to the office of management and budget before applying for a federal grant. The report must include the purpose of the grant; the potential amount of the grant; any additional employees that may be required because of the grant; the time period covered by the grant; and grant requirements, including state matching requirements or maintenance of effort. The state agency shall provide updates on the status of the grant application as required by the office of management and budget. At each meeting of the budget section of the legislative management, the office of management and budget shall report to the budget section on the reports received from state agencies under this section."

Renumber accordingly

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

Page 3, after line 30, insert:

"SECTION 10. INFORMATION TECHNOLOGY PROJECT PLANNING. Each executive branch state agency, excluding entities under the control of the state board of higher education, considering the development of an information technology project with an estimated cost of \$100,000 or more shall involve the information technology department in the planning and study of the project, for the biennium beginning July 1, 2011, and ending June 30, 2013. A state agency must receive approval from the information technology department prior to proceeding with any study recommendations relating to the project."

Renumber accordingly

April 4, 2011

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

Page 1, replace line 19 with:

"Prairie public broadcasting	1,337,138	(337,138)	1,000,000"
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Page 1, replace line 22 with:

"Total all funds	\$50,937,875	(\$7,309,715)	\$43,628,160"
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Page 1, replace line 24 with:

"Total general fund	\$36,249,096	(\$3,535,397)	\$32,713,699"
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Page 2, replace line 7 with:

"Prairie public broadcasting		\$2,016,200	\$0"
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Page 2, replace line 15 with:

"Total all funds		\$6,681,735	\$3,850,000"
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Page 2, replace line 17 with:

"Total general fund		\$4,858,100	\$3,850,000"
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Page 3, line 21, replace "the same percentage increase" with "three percent annually"

Page 3, line 24, replace "four" with "three"

Page 3, line 25, replace "one" with "three"

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2015 - Office of Management and Budget - House Action

	Executive Budget	Senate Version	House Changes	House Version
Salaries and wages	\$18,517,763	\$18,517,763		\$18,517,763
Operating expenses	13,765,254	13,765,254		13,765,254
Capital assets	8,390,143	9,390,143		9,390,143
Grants	55,000	55,000		55,000
Emergency Commission contingency fund	700,000	700,000		700,000
Prairie Public Broadcasting	1,337,138	1,837,138	(837,138)	1,000,000
State student internship program	200,000	200,000		200,000
Total all funds	\$42,965,298	\$44,465,298	(\$837,138)	\$43,628,160
Less estimated income	10,914,461	10,914,461	0	10,914,461
General fund	\$32,050,837	\$33,550,837	(\$837,138)	\$32,713,699
FTE	131.50	131.50	0.00	131.50

11.8138.02010
Title.

Prepared by the Legislative Council staff for
Representative Delzer
April 6, 2011

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

Page 2, remove lines 30 and 31

Page 3, remove lines 1 and 2

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment removes Section 5, which transfers \$388,580,000 from the permanent oil tax trust fund to the property tax relief sustainability fund.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

Page 1, line 3, remove "and"

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

Page 3, after line 30, insert:

"SECTION 10. RETROACTIVE APPLICATION. House Bill No. 1141, as approved by the sixty-second legislative assembly, is retroactive in application to January 1, 2011. Upon the effective date of this Act, the director of the office of management and budget shall recalculate the maximum monthly lodging reimbursement for members of the sixty-second legislative assembly based upon section 1 of House Bill No. 1141 to be effective beginning January 1, 2011.

SECTION 11. EMERGENCY. Section 10 of this Act is declared to be an emergency measure."

Re-number accordingly

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2015

Page 1, line 3, remove "and"

Page 1, line 3, after "intent" insert "; and to provide for a legislative management study"

Page 3, after line 30, insert:

"SECTION 10. LEGISLATIVE MANAGEMENT STUDY - HOME RULE AMENDMENTS. During the 2011-12 interim, the legislative management shall consider studying procedures for proposing, adopting, and implementing changes to county and city home rule charters and ordinances and resolutions adopted under home rule powers. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-third legislative assembly."

Renumber accordingly